

Chapter-3

THEMATIC AUDIT

Development and Panchayats Department

3.1 Irregularities in disbursement and utilisation of discretionary grants

3.1.1 Introduction

The Haryana Discretionary Grants (Regulations of expenditure) Rules, 1969 and the policy framed thereunder provide that the Chief Minister (CM), Deputy Chief Minister, Ministers, Speaker and Deputy Speaker of Vidhan Sabha and Chief Parliamentary Secretary (CPS)¹/Parliamentary Secretary (PS) can within or outside the State, sanction grants-in-aid to any social, charitable or any other organisation for any work or scheme which were to benefit the community. All the Deputy Commissioners (DCs) and the Under Secretary (General) to Government of Haryana were declared as Drawing and Disbursing Officers (DDOs) for grants within the State and outside the State respectively. They were required to follow the provisions laid down in the Punjab Financial Rules (PFR) as applicable to Haryana and to ensure proper utilisation of grants for the intended purposes and maintenance of proper accounts as per defined audit procedure.

3.1.2 Scope of Audit and Objectives

The records in the office of Under Secretary (General) and the DCs in eight² out of 21 districts covering the period from April 2007 to March 2012 were test checked between October 2011 and September 2012 with the objective to ascertain the extent of adherence to various provisions relating to sanction, drawal, disbursement and utilisation of discretionary grants.

3.1.3 Financial Management

Against the budget provision of ` 210.25 crore, grants-in-aid of ` 169.34 crore were disbursed during 2007-12 as detailed in **Table 1**.

1 Chief Parliamentary Secretaries and Parliamentary Secretaries included with effect from October 2008.

2 (i) Faridabad, (ii) Gurgaon, (iii) Jind, (iv) Kurukshetra, (v) Panchkula, (vi) Rohtak, (vii) Sirsa and (viii) Yamunanagar.

Table 1: Budget provision and expenditure

(` in crore)

Year	Council of Ministers		Speaker/Deputy Speaker		Chief Parliamentary Secretary/Parliamentary Secretary		Total budget provision (col. 2+4+6)	Total expenditure (col. 3+5+7)
	Budget provision	Expenditure	Budget provision	Expenditure	Budget provision	Expenditure		
1	2	3	4	5	6	7	8	9
2007-08	15.90	15.89	1.35	1.35	0.00	0.00	17.25	17.24
2008-09	31.00	29.26	2.50	2.50	2.50	2.47	36.00	34.23
2009-10	39.50	26.60	3.40	3.40	3.40	3.40	46.30	33.40
2010-11	33.08	23.15	3.25	3.25	3.32	3.32	39.65	29.72
2011-12	54.75	44.93	4.95	4.95	11.35	4.87	71.05	54.75
Total	174.23	139.83	15.45	15.45	20.57	14.06	210.25	169.34

(Source: Information supplied by Development and Panchayats Department)

After the allotment of discretionary grants, the sanctions were issued by Development and Panchayats Department (DPD). On the basis of these sanctions, grants were drawn and disbursed to beneficiaries by the DCs/Executing Authorities of concerned districts.

3.1.4 Audit coverage and methodology

A total of 3,684 grants involving expenditure of ` 77.21 crore (46 per cent of the total expenditure of ` 169.34 crore) drawn and disbursed during 2007-12 by DCs/Executing Authorities in eight selected districts were test-checked. In addition, 152 (44 per cent) out of 343 beneficiaries receiving grants of ` 5.00 lakh or more, in the selected districts were physically verified. An exit conference was held in October 2012 with the Principal Secretary to Haryana Government, DPD, wherein the audit findings were discussed. The views of the department were taken into consideration while finalising the audit observations.

3.1.5 Audit Findings

Scrutiny of records relating to disbursement and utilisation of discretionary grants revealed the following irregularities:

3.1.5.1 Irregular release of grants

(a) Grants given to same institutions/undue favour to the beneficiaries

Para 4 of policy guidelines relating to discretionary grants provides that the grants-in-aid should not ordinarily be given for the same work or scheme by more than one minister. In cases, where more than one minister had sanctioned grants for the same work or scheme in the same area, the DPD was required to inform the concerned minister and obtain his/her orders for utilisation of the grant elsewhere. Further rule 8.14 (3) of PFR Volume I, provides that the sanctioning authority is required to obtain the audited accounts of the institution to justify the financial position of the beneficiaries before release of grants.

(i) Audit observed that 381 grants of ` 19.05 crore were given to 131 beneficiaries, out of which 250 grants amounting to ` 12.97 crore (**Appendix 3.1**) were given repeatedly either for the same scheme/work or by changing the purpose slightly different.

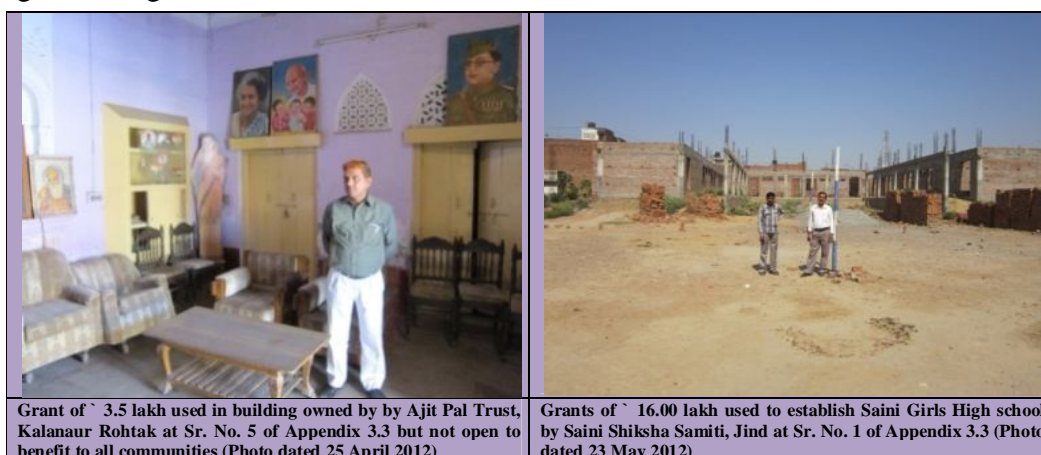
The Principal Secretary stated (November 2012) that due to large volume of work, it was very difficult to keep a track on all grants to avoid repetitions and the department would try to develop software to avoid such repetition in future. The final outcome was awaited (December 2012).

(ii) Further, 33 grants of ` 1.61 crore (**Appendix 3.2**) were released to the eight institutions which were having sufficient funds at their credit in the bank accounts and were having sound financial position. The release of grant to financially sound institutions was against the spirit of the rules provided in PFR.

The Principal Secretary while admitting (November 2012) the facts stated that the provision to verify the financial position of the beneficiaries before release of grants were not in the guidelines and also the grants were being sanctioned by the ministers at their own. The reply was not acceptable in view of Rule 8.14(3), *ibid* which provides for verification of financial position of the beneficiary before release of grant and also the DPD failed to inform the Minister concerned about the grants already released to these institutions, as required under policy guidelines.

(b) Grants for purposes not falling under the policy guidelines

As per para 1(e) of policy guidelines the grants could be provided for improvement of institutions already in existence and are inadequately housed. It should be for some specific purposes for the benefit of the community. But 22 grants amounting to ` 1.93 crore (**Appendix 3.3**) were released to 18 beneficiaries, either to establish their institutions or for the works which were not covered under the provisions of the policy guidelines. Photographs of two such grants are given as illustration.



(c) Disbursement of grants in home districts/constituency

As the Chief Minister, Ministers, Speaker, Deputy Speaker and Chief Parliamentary Secretaries/ Parliamentary Secretaries represent the whole State, the Audit was of the opinion that they should disburse grants evenly in all the areas for the smooth development of the State as a whole.

During scrutiny of record of discretionary grants for the year 2009-10, it was noticed that nine ministers/CPSs/Deputy Speaker whose constituencies were falling in seven test checked districts, distributed 82 to 100 *per cent* (**Appendix 3.4**) grants in their home districts and 69 to 97 *per cent* to the beneficiaries of their own constituencies.

The Principal Secretary stated (November 2012) that the action would be taken in the light of instructions issued by Hon'ble Punjab and Haryana High Court in case of discretionary grants released by Punjab Government. Final outcome was awaited (December 2012).

(d) Grants in excess of demand

Prajapati Dharamshala Sabha, Kurukshetra requested (July 2010) for assistance of ₹ 6.17 lakh from the Chief Minister for laying sewerage line in dharamshala. But the DC, Kurukshetra released (August 2010) a grant of ₹ 11 lakh on the recommendation of the CM which was in excess of demand and in contravention of Rule 8.14 (c) Punjab Financial Rules Volume-I.

(e) Release of grants on caste/religion basis

As per para 2 of the policy guidelines, grants-in-aid shall not be admissible to religious institutions or places of worship. Further, it was stipulated in the terms and conditions of the sanction issued by the concerned DC that the institutions to which the grants were released should be open to all communities living in the area concerned, without any prejudice based on caste, creed and religion, etc. It was also provided that grant-in-aid should ordinarily not be admissible to religious institutions or places of worship.

Test check of documents submitted by the 14 institutions to whom the grants of ₹ 5.17 crore were released during 2007-2012 (**Appendix 3.5**), revealed that these institutions had not submitted their constitution/memorandum/article of the association at the time of drawing grants in the test checked DC offices. DC office had also not demanded these documents before release of grants. However, during physical verification of institutions by Audit, it was noticed that these institutions were constituted on caste/religion basis as initial membership of these institutions were restricted to the members of a particular caste/religion, which was against the spirit of the policy guidelines. Thus, the release of grants to these institutions was irregular.

3.1.5.2 Irregular/Non-utilisation of grants

(a) Irregular expenditure from grants

The DPD as well as DDO had no mechanism to ensure proper utilisation of grants for the intended purposes. Physical verification in 23 cases revealed that grants of ₹ 1.62 crore were irregularly utilised on the works other than those for which these grants were sanctioned as detailed in **Appendix 3.6** which was against the provisions of para 6 of the policy guidelines. Photographs of cases mentioned are given as instances.

		
The funds were utilised in tile flooring instead of basement (Shri Guru Ravidass Bhawan, at Sector-15, Panchkula at Sr. No. 21 of Appendix 3.6) (Photo dated 04 May 2012)	Funds used in construction of rooms instead of mini auditorium (Maharaja Agarsain Girls Senior Secondary School, Jind (at Sr. No. 14 of Appendix 3.6) (Photo dated 18 May 2012)	Being used for storing confiscated items by Police (Mahila Welfare Trust, Kalanaur, Rohtak at Sr. No. 5 of Appendix 3.6) (dated 25 April 2012)

(b) Non-utilisation of grant by beneficiaries

During audit, it was noticed that in 12 cases, where 16 grants amounting to ₹ 1.60 crore (**Appendix 3.7**) were released during the period between June 2008 to February 2012, the grants were lying partly or fully unutilised with the beneficiaries (December 2012). As a result, the community was deprived of the intended benefits. Photographs of few cases are given for illustration.

		
Ambedkar Bhawan, Sector-12, Panchkula at Sr. No.7 of Appendix 3.7 (Dated 04 May 2012)	Room constructed with grant (₹ 7 lakh) by Khaja Khera Seva Samiti Trust, Khaja Khera, Sirsa at Sr. No. 8 of Appendix 3.7 (Dated 14 June 2012)	Room constructed with grant (₹ 5.00 lakh) at first floor of Geeta Bhawan, Kahanaur, Rohtak with at Sr. No. 5 of Appendix 3.7 (Dated 25 April 2012)

(c) Blockade of funds out of Government account and loss of interest

Rule 2.10 (b) (5) of PFR, Volume-I, provides that the money from the treasury should not be withdrawn unless it is required for immediate disbursement.

During test check, it was noticed that in eight districts, 30 executing agencies kept ` 6.05 crore in saving/current bank accounts (**Appendix 3.8**). Of these, 23 executing agencies earned interest of ` 37.84 lakh on saving bank accounts and seven³ executing agencies were operating current accounts resulting into loss of interest to the tune of ` 23 lakh upto March 2012. Non-refunding of unutilised amount into Government accounts was irregular and against the provisions of rules.

On this being pointed out (March 2012), the SDO (Civil), Faridabad deposited the interest of ` 5.05 lakh in Government account in March 2012. An amount of ` 11.45 lakh pertaining to 13 undisbursed grants was refunded (March/April 2012) to the DC, Faridabad to deposit the same in Government accounts.

The Principal Secretary while accepting the observation, stated (November 2012) that a new procedure for disbursement of grant had been introduced from October 2012 which provided that the funds would be issued directly to the beneficiaries and also the concerned DCs had been directed to look into the reasons of blockade. Final outcome was still awaited (December 2012).

3.1.6 Monitoring and Internal Control

Development and Panchayat Department was responsible for formulating the policy for drawing, disbursement and regulating the discretionary grants. All the DCs and Under Secretary (General) as DDOs were required to follow the provisions laid down in the PFR to ensure proper utilisation of grants and to ensure that proper accounts as per audit procedure were maintained by the beneficiaries. The following irregularities were noticed due to non-performance of duties by these functionaries:

(a) Non-submission of utilisation certificates

As per para 6 of policy guidelines, DCs were to ensure that grant was properly utilised for the purpose for which it was given and proper account as per audit procedure are maintained.

It was noticed during audit that out of 3,684 cases involving grant of ` 77.21 crore (**Appendix 3.9**), utilisation certificates in respect of 3,295 cases (89 *per cent*) were neither submitted by the beneficiaries nor were efforts made by the department to obtain them from the beneficiaries.

(b) Non-maintenance of records of applicants

The scheme provides for giving assistance to deserving individuals and institutions. For achieving the objectives, a proper procedure for receiving and

3 (i) DC, Kurukshetra, (ii) BDPO, Pehowa, (iii) BDPO Shahbad, (iv) SDO (Civil), Gurgaon, (v) BDPO, Kalanaur, (vi) SDO (Civil), Rohtak and (vii) SDO (Civil), Jagadhari.

scrutiny of applications for assistance out of grants was required to be prescribed in the scheme itself.

It was noticed in audit that rule governing the sanction of discretionary grant does not prescribe maintenance of records relating to receipt of applications and their scrutiny, the basis on which applications have been considered for sanction and rejection.

3.1.7 Non-production of records/files

The records relating to allotment, release and utilisation of grants of ` 4.46 crore in 80⁴ cases were not produced to Audit. Therefore, the correctness, genuineness and proper utilisation of the Government money on the intended purposes could not be verified in audit.

The Principal Secretary stated (November 2012) that all the DCs have been directed to produce the records for audit. Final outcome was awaited (December 2012).

3.1.8 Conclusion

The existing rules and regulations governing the sanction of discretionary grant and maintenance of records thereof do not give adequate basis for ascertaining as to whether the grants have been sanctioned only to deserving cases, the sanctioned grants have been utilised for the purpose for which these were granted and the evidences of having spent the money was also lacking.

4 Under Secretary (General): (15 cases: ` 0.58 crore); SDO (Civil), Rohtak: (65 cases: ` 3.88 crore)

**Town and Country Planning, Police, Urban Local Bodies,
Revenue, Public Health, Panchayat and Development and
Power Departments**

3.2 Growth of unauthorised colonies

3.2.1 Introduction

The Haryana Government enacted Haryana Development and Regulations of Urban Areas Act, 1975 (HDRUA Act) to regulate the use of land in order to prevent ill-planned and haphazard urbanization in or around towns in the State. It provides that no person including a property dealer shall transfer or agree to transfer in any manner plots in a colony or make an advertisement or receive any amount in respect thereof and erect or re-erect any building in any colony in respect of which a license under section 3 of the Act had not been obtained. Further, in order to check haphazard construction and to ensure planned development and growth of towns, section 4(1) of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 provides for declaration of controlled area around municipal towns and other potential areas. The administration of these acts and rules made thereunder was assigned to the Town and Country Planning Department (TCPD).

In the process of urban development, unauthorised colonies are developing in the controlled areas due to non-compliance of Acts and Rules by Town and Country Planning Department, Urban Local Bodies, Revenue, Public Health, Panchayat and Development, Police and Electricity supplying Companies, which are highlighted in succeeding paragraphs.

3.2.2 Scope and objective of Audit

The records of the office of Director General (DG), TCPD, Haryana and eight⁵ District Town Planners (DTPs) out of 21 DTPs were test-checked during June to October 2012 with the objective of ascertaining the adherence of Rules and Regulations by various departments. As per record of Urban Local Bodies, there were 1320 unauthorised colonies in the State as on 30 June 2012.

Information was also collected from various Government agencies such as Registering Authorities, Uttar and Dakshin Haryana Bijli Vitran Nigams, PHE and Police Departments, etc. In addition, Audit conducted survey of 1281 households in 41 unauthorised colonies along with the officials of DTP's of eight test-checked districts selected randomly.

⁵ (i) Ambala, (ii) Fatehabad, (iii) Gurgaon, (iv) Jhajjar, (v) Karnal, (vi) Kurukshetra, (vii) Panchkula and (viii) Panipat.

3.2.3 Audit Findings

Important violations of Acts and Rules by various departments/authorities noticed during audit are discussed below:

(a) *Revenue Department*

Section 7-A of the HDRUA Act provides that where any document is required to be registered under the provisions of section 17 of the Indian Registration Act, 1908, purporting to transfer by way of sale or lease any vacant land having an area of less than one hectare in an urban area as may be notified specifically by the Government from time to time for the purpose of this section, no Registration Officer appointed under the above said Act shall register any such document unless the transferor produces before such Registration Officer a 'no objection certificate (NOC)' issued by the Director, Town and Country Planning or an officer authorised by him in writing in this behalf. The Government also issued instructions (April 2006) that NOC was mandatory at the time of registration of sale deeds to prevent unauthorised colonies. However, during beneficiary survey of 1,281 households in 41 unauthorised colonies, it was noticed that the plots in these unauthorised colonies were registered without obtaining no objection certificate.

On this being pointed by audit (October 2012), the DG, TCP stated (November 2012) that registration authorities were not meticulously following the above provisions of Act and Government instructions. However, the registering authorities in eight test checked districts (except Ambala and Gurgaon) stated (June and July 2012) that registrations of sale deeds were being made in accordance with the provisions of the Indian Registration Act, 1908. The reply of the Registering Authorities was not convincing as the NOC was mandatory under the rule mentioned above. The Additional Chief Secretary, Revenue and Disaster Management Department intimated (November 2012) that instructions were issued (January 2011) to all the Registering Authorities to follow the provision of Section 7-A of the HDRUA Act failing which disciplinary action would be initiated against the defaulting officer.

(b) *Electricity Supplying Companies*

Section 203-H of Haryana Municipal Act, 1973 provides that every plot owner before applying for sanction/release of electricity connection within the limits of municipalities is required to obtain NOC from the concerned Municipal Corporation/Council/Committee (MC).

It was, however, observed during beneficiary survey of 1,266 households (who have been provided with electricity connections) of 41 colonies by audit that electricity connections were provided by the Uttar Haryana Bijli Vitran Nigam (UHBVN) and Dakshin Haryana Bijli Vitran Nigam (DHBVN) to the residents of these colonies without obtaining NOC from concerned MCs. Photograph of one such unauthorised colony where electricity connections were given without obtaining NOC is given for illustration.



Photo of Arjun Nagar, Panipat, showing the electricity connection in unauthorised colony (13 June 2012)

The Executive Engineer, UHBVN stated (June-July 2012) that as per policy, the UHBVN do not release connection without verification of proper property owner/documents but vide their sale circular No U/72/2007 dated 19 October 2007, it was decided to release regular domestic connection to residents of these colonies, as a large number of dwellers were unable to get legal connections and residents were drawing electricity through illegal *kundi* connections resulting in loss of potential revenue. The reply was not acceptable as the instructions contained in the circular were against the provisions of the Haryana Municipal Act, 1973. The DG, TCP while accepting the facts intimated (November 2012) that the electricity companies had acted as catalyst to the growth of such unauthorised colonies.

(c) Pubic Health and Engineering Department

Section 203-H of the Municipal Act 1973 provides that every plot owner, before applying for sanction/release of water supply connections within the limits of municipalities is required to obtain NOC from the concerned MCs.

During beneficiary survey of residents of unauthorised colonies by audit, it was noticed that PHE Department provided water supply connections in Gaba Colony at Panipat (as shown in the photo), Swami Nagar, Hans Colony and Harnam Singh Colony at Fatehabad without getting NOC from MCs. On this being pointed out by Audit, the Executive Engineer, PHE Division, Fatehabad, intimated (June 2012) that water connections were released in public interest water being a very essential commodity.



Photo of Gaba Colony, Panipat where water supply connections have been provided in unauthorised colony (13 June 2012)

In the exit conference held in October 2012, the Principal Secretary, PHE Department stated that these colonies were very old and situated in the land of village concerned. The reply was not convincing as DTPs, Fatehabad and Panipat intimated (October 2012) that these unauthorised colonies existed within the limit of urban areas.

(d) Town and Country Planning Department

A total of 1054 unauthorised colonies were regularised by Urban Local Development in 2004 without indicating any outer boundary or demarcation on Shajra⁶ Plan. In the absence of the demarcation of regularised colonies, the adjoining areas also developed as unauthorised colonies. Audit observed that the DG, TCP, being regulatory department, was required to devise a system for marking the demarcation boundaries of the regularised colonies from adjoining area in consultation with Director, Urban Local Bodies.

As per the provisions of section 12 (3) of Punjab Schedule Roads and Controlled Areas Restriction of Unauthorised Development Act, 1963 and section 10 (3) of Development and Regulation of Haryana Urban Area Act, 1975, the DTPs are required to recover the expenditure incurred on demolition of unauthorised constructions from the offenders. Audit, however, observed that an expenditure of ` 56.50 lakh⁷ was incurred during April 2008 to March 2012 on demolition of unauthorised structures against which only ` 0.23 lakh were recovered only by DTP, Panipat.

The DG, TCP intimated (November 2012) that during monthly review meeting held in March 2012, DTPs were instructed to invariably resort to enforce the provisions of the above acts for recovery of demolition charges. It was further intimated that serious efforts were being made by DTPs to effect recovery and during 2008-2012, against the expenditure of ` 1.03 crore spent on demolition drives, ` 0.03 crore was recovered from the offenders.

(e) Police Department

Section 12-A of the Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 and Section 11-B of the Haryana Development and Regulation of Urban Areas Act, 1975, provide that it is the duty of police officers to communicate, without any delay, to the Director or any officer authorised in writing regarding commission of any offense under this Act. Audit noticed that police registered (between April 2008 and March 2012) only five in Jhajjar and 55 FIRs in Kurukshetra against lodging 46 and 60 complaints respectively by the concerned DTPs. Details regarding registration of FIRs was

⁶ Shajra is the graphical image of a specific piece of land or a specific Khasra from the map or plan of a village/estate. It is used to point out the exact location of land, with identification of adjoining or surrounding lands.

⁷ Ambala ` 5.61 lakh, Fatehabad ` 2.79 lakh, Gurgaon ` 16.40 lakh, Jhajjar ` eight lakh, Karnal ` five lakh, Kurukshetra ` 8.65 lakh, Panchkula ` 3.05 lakh and Panipat ` seven lakh

not provided by the other test checked DTPs. The DG, TCPD intimated (June 2012) that there was not a single case where police officers had exercised their powers under Section 11-B of the HDRUA Act. The reply from the Principal Secretary (Home) and Director General of Police was awaited (December 2012).

(f) Panchayat and Development Department

Four MCs and one Block Development and Panchayat Officer (BDPO) had incurred an expenditure of ` 5.95 crore on construction of brick street, providing drainage system, etc. in unauthorised colonies as per details given in **Table 2**.

Table 2: Expenditure incurred on development work in unauthorised colonies

Sr. No.	Year	Name of MC / BDPO	Expenditure (` in lakh)
1	2005-10	MC, Bahadurgarh	34.67
2	2008-12	MC, Jhajjar	71.52
3	2008-12	MC, Ambala	430.70
4	2008-12	BDPO, Fatehabad	54.64
5	2010-11	MC, Panipat	3.94
Total			595.47

(Source: Information provided by concerned MCs and BDPO)

In the exit conference (October 2012), the Principal Secretary, Rural Development Department stated that these colonies were part of *Gram Panchayat*, Matana, consisting of 10 wards. Ward numbers seven to ten were part of the colony and residents of these colonies were voters of Matana village. Expenditure incurred for development works was diverted from the *Panchayat* fund and other schemes of the Government. The reply was not in consonance with the views of DTP Fatehabad, as he had intimated (October 2012) that the sites of these colonies were existing within the limit of urban area as well as in control area of Fatehabad town and were unauthorised. Reply from the Principal Secretary, Urban Local Bodies Department was awaited (December 2012).

These points were referred to Director General, Town and Country Planning Department in October 2012, who admitted (November 2012) the lapses committed by various departments in curbing the menace of unauthorised construction. Audit observed that as the overall responsibility of implementing the Development and Regulation of Haryana Urban Area Act, 1975 lies with the Town and Country Planning Department, they should have evolved a mechanism to involve other departments to perform their duties in a coordinated manner under the Acts.

3.2.4 Conclusion

There was haphazard development of unauthorised colonies around towns/cities. Extant provisions in the Acts and Rules to control unauthorised colonies were not being enforced by various departmental authorities as the sale deeds of land were

being registered, water supply and electricity connections were released without obtaining NOC from TCPD/MCs. The Police Department had also not taken action as provided in the rules to prevent the haphazard development of unauthorised colonies.

3.2.5 Recommendations

The Government may consider to:

- ensure strict compliance to the provisions of HDRUA Act, 1975, rules and instructions in a coordinated manner by all the concerned departments to prevent growth of unauthorised colonies and for planned development of land and urbanisation of the State.

Social Justice and Empowerment Department

3.3 Old Age Samman Allowance scheme

3.3.1 Introduction

To provide social security to old persons who are unable to sustain themselves from their own sources and are in need of financial assistance, Haryana Government implemented old age pension scheme from November 1966. The scheme was liberalised from July 1991 by reducing the eligibility age criteria to 60 years from 65 years and the income of ` 50,000 per annum (from 29 November, 2005 which was revised to two lakh from 22 March 2012) from all sources was fixed. The scheme was renamed as “Old Age Samman Allowance” in 2009. The scheme provides for constitution of separate committees in rural⁸ and urban⁹ areas as well as at District level¹⁰ for scrutinising the eligibility of beneficiaries. The scrutiny of eligibility in rural area was to be conducted in village/block and for urban area at the venue fixed by District Social Welfare Officer in consultation with the incharge of Municipal Committee. The scrutiny of applications was to be conducted in the presence of Lambardar and other respectable persons of village for rural areas and Municipal Commissioner or other respectable persons for urban areas.

Under the scheme, a monthly pension of ` 100 from 1 July 1991, ` 200 from 1 November 1999, ` 300 from 1 November 2004 and ` 500 from 1 March 2009 was paid to the eligible persons. Besides, the beneficiaries who were getting this allowance for the last 10 years as on 1 March 2009 were eligible for monthly allowance of ` 700 and those who were drawing allowance at the rate of ` 500 were eligible for an increase of ` 50 per annum after the completion of one year.

Separate committees were constituted for scrutinising the eligibility of person for grant of old age samman allowance in the rural and urban areas. The committees were required to make available application forms to all persons desirous of obtaining allowance and also to guide them in filling up application forms. The committee was to scrutinize each application thoroughly to verify the eligibility of applicant for grant of allowance and was to take into account all available oral and documentary evidence, for this purpose. Information supplied by respectable persons of the area and the neighbours of the applicants was also to be given due weightage by the Committee in forming an opinion about the eligibility of an

8 In rural area, the committee consists of District Social Welfare Officer or his representative, Circle Revenue Officer and a Medical Officer of the Health Department.

9 In urban area, the Committee consists of Officer Incharge of Municipal Committee or Executive Officer or the Secretary of Municipal Committee, District Social Welfare Officer or his representative and a Medical Officer of Health Department.

10 District level committee consists of Chief Medical Officer as Member, District Social Welfare Officer as Member Secretary and Deputy Commissioner as Chairman.

applicant. District level committees were required to examine and decide those cases, where the rural and urban committees were unable to make clear cut recommendations.

3.3.2 Scope and objective of audit

The records in the office of the Director General, Social Justice and Empowerment Department and eight¹¹ out of 21 District Social Welfare Officers (DSWOs) for the period 2007-2012 were test checked between September 2011 and July 2012 with the objective to ascertain the effectiveness of the department in implementation of provisions relating to identification, drawal and disbursement of allowances as provided in the scheme.

3.3.3 Financial management

During 2007-12, old age samman allowance amounting to ` 3,484.68 crore were disbursed against the budget provisions of ` 3,667.38 crore to the beneficiaries as detailed in **Table 3**.

Table 3: Details of budget provisions and actual allowances paid during 2007-12

(` in crore)

Year	Numbers of beneficiaries	Budget estimate	Amount of allowance paid
2007-08	9,95,028	371.07	366.68
2008-09	11,25,372	380.49	408.22
2009-10	12,50,349	924.08	902.79
2010-11	13,86,207	909.69	899.15
2011-12	13,22,569	1,082.05	907.84
Total		3,667.38	3,484.68

(Source: Compiled from the physical and financial progress reports maintained in the Directorate Office)

3.3.4 Audit coverage and methodology

Besides the records of identification of beneficiaries, drawal and disbursement of old age samman allowance to beneficiaries in the offices of the DSWOs in eight selected districts, the audit parties visited 71¹² villages of six selected districts and surveyed 1,159¹³ beneficiaries and *Sarpanches* of concerned villages to see the implementation of the scheme and obtain feedback from beneficiaries on different parameters through issue of questionnaires.

- 11 (i) Ambala, (ii) Gurgaon, (iii) Hisar, (iv) Kaithal, (v) Panchkula, (vi) Rewari, (vii) Rohtak and (viii) Yamunanagar
- 12 (i) Ambala: 22, (ii) Gurgaon: 9, (iii) Hisar: 10, (iv) Kaithal: 12, (v) Panchkula: 7 and (vi) Yamunanagar: 11
- 13 (i) Ambala: 412, (ii) Gurgaon: 160, (iii) Panchkula: 88, (iv) Hisar: 110, (v) Kaithal: 241 and (vi) Yamunanagar: 148

3.3.5 Audit Findings

3.3.5.1 Disbursement of old age samman allowance to ineligible persons

As per provisions of the scheme, the old age samman allowance was required to be given to a person who is a domicile of the State and had completed 60 years or more. Test check of records revealed that the beneficiaries for granting allowances under the scheme were not identified in accordance with the procedure prescribed under the scheme and the allowances were granted to those who were not the residents of the State or who have not completed the age of 60 years and were not eligible for the benefits. There were a large number of complaints regarding drawal of allowances by the ineligible persons. Therefore, the re-verification of beneficiaries was got conducted by the department during the period between November 2011 and January 2012. During re-verification, 12,176 ineligible beneficiaries who were below 60 years of age or were not the residents of the State were identified. The old age samman allowance amounting to ` 15.72 crore were paid to these ineligible beneficiaries during the period ranged between July 1994 and March 2012 (*Appendix 3.10*). This indicated that the identification of beneficiaries at the time of initial survey was not done properly under the scheme.

The payment of allowance to these ineligible beneficiaries was stopped (between November 2011 and March 2012) after recommendations of these committees. But action to recover old age samman allowance of ` 15.72 crore paid to 12,176 ineligible beneficiaries was not taken by the department except in case of Ambala district, where an amount of ` 0.39 lakh out of ` 25.87 lakh was recovered between January and June 2012 after this being pointed by audit.

During a meeting held on 26 July 2012, the Director General, Social Justice and Empowerment Department stated that the efforts were being made to recover the amount. The final action taken in the matter was awaited (December 2012).

3.3.5.2 Disbursement of allowance to persons who were also drawing pension under other schemes

According to the guidelines of the scheme, persons receiving pension from Government or local/statutory body or any organization substantially financed by Government or local/statutory body including income received or accrued from accumulated earnings, provident funds or annuities from any source including Commercial Banks, Financial Institutions or Insurance Companies were not eligible for old age samman allowances. Test check of records revealed that 281 persons of Pinjore Town (District Panchkula) who were already receiving pensionary benefits under other schemes were paid old age samman allowance during February 1999 to November 2011 although they had retired from Government service/autonomous bodies. A sum of ` 71.68 lakh was paid to these ineligible persons. On this being pointed out by audit (March 2012), the DSWO, Panchkula intimated (March 2012) that old age samman allowance to these persons had been stopped from December 2011. But the action to recover the amount from these ineligible persons was not taken (December 2012).

3.3.5.3 *Inadmissible payment of old age samman allowance*

Scheme provides that a person was not eligible for old age samman allowance in case his/her income from all sources together with that of his/her spouse exceeds ` 50,000 per annum (` two lakh from March 2012). Scrutiny of feedback given by beneficiaries and *Sarpanches* of villages revealed that 128¹⁴ beneficiaries of Ambala, Gurgaon, Hisar and Narnaul districts, whose spouse were retired from Government Board/ Corporation, were paid old age samman allowance amounting to ` 29.66¹⁵ lakh in contravention of the provisions of the scheme. The Director General stated (July 2012) that the entire amount would be recovered. Final outcome of the case was awaited as of January 2013.

Above discrepancies indicated that the process of identification of beneficiaries under the scheme was faulty and survey was not done properly to find out eligible persons.

3.3.5.4 *Non-maintenance of data of applicants*

Under the scheme guidelines, the committees at different levels are required to receive and scrutinize the applications seeking grant of allowances. However, the record of applicants as well as proceedings of these committees was not maintained. As a result, audit could not verify the genuineness of the applicants and methodology adopted for scrutiny of applications and selection of beneficiaries.

3.3.5 Conclusion

Prescribed procedure for identification of beneficiaries for payment of old age samman allowance was not adhered to resulting in payment of allowance to ineligible persons. The record containing the proceedings of the selection committees for selection of beneficiaries was also not maintained.

3.3.6 Recommendations

The State Government may consider to:

- streamline the procedure for the identification of beneficiaries to avoid inclusion of ineligible beneficiaries; and
- review and update lists of beneficiaries regularly.

14 Ambala: 96; Gurgaon: 14; Hisar: 04 and Narnaul: 14.

15 Ambala: ` 22.14 lakh; Gurgaon: ` 1.99 lakh; Hisar: ` 0.22 lakh and Narnaul: ` 5.31 lakh.

Home Department

3.4 Prisoners released on parole/furlough

3.4.1 Introduction

The Haryana Good Conduct Prisoners (Temporary Release) Act, 1988 provides for the temporary release of prisoners in consultation with the District Magistrate or any other officer appointed in this behalf on parole¹⁶/furlough¹⁷ on the basis of their good conduct for a specified period with specified conditions on the execution of surety bonds with information to police to keep watch on their activities. The prisoners released on parole/furlough are required to report back to the Jail concerned from where they had been released from. The prisoner who does not report back within 10 days after the due date of reporting back, can be arrested by any Police Officer or Prison Officer without any warrant and the amount of surety bonds could be forfeited.

3.4.2 Scope and objectives of audit

Records of Director General, Prisons, Haryana, Superintendents of Police, Deputy Commissioners and Superintendents of Jails in seven¹⁸ out of 21 districts for the period from 2007 to 2011 were test checked during March-April 2012 with the objective to ascertain the deficiencies in implementation of provisions of the rules.

3.4.3 Audit methodology

The records relating to release of prisoners on parole maintained in concerned jails were test-checked. Replies of the department wherever received were kept in view while finalising the audit observations which were also discussed with Additional Chief Secretary to Government, Home Department in the exit conference held on 18 September 2012. The results of exit conference and replies of the department have suitably been incorporated in the para.

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- 16 Parole is conditional release of prisoners on good behaviour and regular reporting to the authorities for a period of time. The period does not count towards total period of sentence of the prison.
- 17 Furlough is period of leave granted to a prisoner, usually as a reward for good behavior. The period counts towards the total period of sentence of the prison.
- 18 (i) Ambala, (ii) Gurgaon, (iii) Hisar, (iv) Jind, (v) Karnal, (vi) Rohtak and (vii) Sonipat.

3.4.4 Audit findings

3.4.4.1 Prisoners released on parole/furlough still at large

A total of 18,496 prisoners were temporarily released on parole/furlough after obtaining surety bonds in the State. Of these, 18,142 prisoners reported back within the permissible period as detailed in **Table 4**.

Table 4: Details of prisoners released on parole/furlough still at large (March 2012)

Year	Prisoners released	Prisoners reported back	Prisoner did not report back
2007	3,397	3,347	50
2008	3,377	3,343	34
2009	3,588	3,508	80
2010	4,043	3,948	95
2011	4,091	3,996	95
Total	18,496	18,142	354

(Source: Information supplied by the Department)

The jail-wise detail of prisoners is given in **Appendix 3.11**. The details given in appendix indicated that the number of prisoners who had not reported back on due date after their parole/furlough was higher in respect of Karnal followed by Sirsa and Hisar jails than those released from other jails.

Table 5 shows position of prisoners released on parole/furlough in seven test checked districts as of 31 July 2012.

Table 5 position of prisoners released on parole/furlough in seven selected districts

Year	Number of prisoners			Number of prisoners absconding		Number of prisoners still absconding
	Released on parole	Reported back on due date	Did not report back on due date	Arrested	Surrendered	
2007	2,408	2,369	39	18	2	19
2008	2,508	2,482	26	12	-	14
2009	2,535	2,471	64	44	2	18
2010	2,729	2,663	66	62	2	02
2011	2,901	2,830	71	54	2	15
Total	13,081	12,815	266	190¹⁹	8	68

(Source: Information supplied by the Department)

The above details indicate that in seven Jails during 2007-2011, out of 266 prisoners who did not surrender on due dates, 190 prisoners were arrested and eight prisoners had surrendered on their own. Remaining 68 prisoners released on parole were still absconding (December 2012).

¹⁹ 16 prisoners were arrested between February and July 2012.

3.4.4.2 Delay in registration of FIR

It was noticed that out of 68 offenders (as indicated in table 5), 49 offenders were involved in heinous crimes and had been sentenced to life imprisonment. Jail Superintendents of concerned Jails had requested the local Station House Officers (SHOs) to register First Information Reports (FIRs) against the offenders and to take further necessary action for their arrest and further conviction. But in 28 cases, the concerned SHOs registered FIR against absconders after a delay of 11 to 224 days and in 11 cases, the FIRs were registered after delay of 3 to 9 days (after expiry of 10 days of due date).

Although, the Jail authorities of Jind and Karnal, had requested the SHOs (of concerned police stations in whose jurisdiction the prisoners were released) to register the FIRs in six cases, yet the FIRs had not been lodged (July 2012). The incharge, Criminal Record Office, Gurgaon intimated (March 2012) that the delay in registering cases will be avoided in future.

3.4.4.3 Non-forfeiture of surety bonds

In 31 cases, surety bonds amounting to ` 85.50 lakh were not forfeited, defeating the very purpose of obtaining such sureties besides leading to loss to Government. Two Deputy Commissioners (DCs) (Gurgaon and Jhajjar) intimated (May 2012) that the efforts to recover the amount from sureties were being made. The DC, Rohtak, intimated (May 2012) that the Jail department was responsible to recover the amount of surety and the concerned Tehsildars have been directed to recover the amount of surety. In 25 cases, Investigating Officers had not made any enquiry regarding whereabouts of the offenders from the sureties of the convicts.

3.4.4.4 Lack of co-ordination

In spite of informing the Police Department regarding release of prisoners on parole/furlough, the Police Department did not monitor their whereabouts. Even after receiving information of non-reporting of prisoner after parole period, timely action to register FIRs and to re-arrest them was lacking. Therefore, proper co-ordination between Jail and Police Department is required to re-arrest the offenders as these offenders could pose a serious threat to society and law and order.

In reply, the Director General of Prisons, Haryana intimated (July 2012) that the Director General of Police had been requested from time to time to issue directions to the concerned SPs to trace out/arrest these parole jumpers and vigorous efforts were being made to arrest the remaining absconders.

The matter was referred to Additional Chief Secretary to Government of Haryana, Home Department in June 2012. An exit conference was held on 18 September 2012 with the Additional Chief Secretary, who while confirming the fact intimated that the relevant rules have been amended to the extent that hardcore prisoners will now be released on parole only for a period of 48 hours for the purpose of death/marriage of his family members with police guard.

Regarding recovery of surety amount he intimated that necessary directions will be issued to the DCs to make the recovery.

3.4.5 Conclusion

There was lack of co-ordination between Jail and Police Departments as a result, a number of hardcore criminals released on parole/furlough remained at large. In 31 cases no action was taken to forfeit surety bonds of ₹ 85.50 lakh.