



**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 2016**



**Government of Haryana**  
*Report No. 1 of the year 2017*

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**for the year ended 31 March 2016**

**Government of Haryana**

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## **PREFACE**

This Report for the year ended 31 March 2016 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 and autonomous bodies of the 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 2015-16 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 2015-16 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 viz. (i) Working of Haryana State Agricultural Marketing Board;(ii) Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak and (iii) Right of Children to Free and Compulsory Education Act, 2009 and 20 paragraphs relating to excess, unfruitful expenditure, avoidable payment and shortcomings in implementation of rules and programmes involving ₹ 747.16 crore. Some major findings are summarized below:

The total expenditure of the State Government increased by 109 *per cent* from ₹ 38,014 crore to ₹ 79,394 crore during 2011-16. The revenue expenditure increased by 85 *per cent* from ₹ 32,015 crore in 2011-12 to ₹ 59,236 crore in 2015-16 while the capital expenditure increased by 29 *per cent* from ₹ 5,372 crore to ₹ 6,908 crore during the period 2011-16.

## PERFORMANCE AUDIT

### 1. Working of Haryana State Agricultural Marketing Board

The Haryana State Agricultural Marketing Board was set up in August 1969 with the main objective of providing facilities for better regulation of purchase, sale, storage and processing of agricultural produce. A performance audit of the functioning of the Board for the period 2011-16 brought out lack of long term planning and deficiencies in both financial management and execution of projects and schemes which undermined the overall objectives of the Board. Some of the significant findings are as follows:

Surplus funds were kept in savings bank accounts instead of in fixed deposits resulting in loss of interest of ₹ 6 crore. An amount of ₹ 126.44 crore was outstanding on account of interest on loan, godown rent, water and sewerage charges, cost of shop/booth sites/land and enhanced land compensation.

*(Paragraphs 2.1.7.4 and 2.1.7.5)*

Basic infrastructure facilities such as boundary walls, weighbridges at entry point, check-post, canteen and dormitory were not provided in 38 Market Committees.

*(Paragraph 2.1.8.1)*

Plots were allotted to ineligible licensees on reserve price resulting in loss of ₹ 1.82 crore.

*(Paragraph 2.1.8.3)*

Penalty of ₹ 2.39 crore was not levied for irregular construction of basement/upper storey on shops/booths.

*(Paragraph 2.1.8.4)*

Three schemes aimed at promotion of agricultural innovations and research and development were not implemented though funds were available.

*(Paragraph 2.1.10)*

## **2. Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak**

The Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak is a premier medical institute of the State. The main objective of the Institute was to provide quality health services, medical education and research. A performance audit of the functioning of the Institute during the period 2011-16 brought out deficiencies which impaired its ability to achieve its overall objective of providing quality health services and medical education in the State. Some of the major findings are as below:

Master plan and annual plans were not prepared in the absence of which targets were not set and performance could not be assessed.

*(Paragraph 2.2.6)*

Delays in procurement and obsolete equipment adversely affected delivery of medical services and academic activities in the Institute.

*(Paragraph 2.2.8.1)*

Trauma Centre, Auditorium and Mother and Child Care Hospital constructed at a cost of ₹ 56.59 crore could not be put to use due to non-purchase of medical equipment and furniture.

*(Paragraph 2.2.8.3 (v))*

Slow implementation of Pradhan Mantri Swasthya Suraksha Yojana, Centre of Excellence and Pilot Programme for Prevention of Burn Injury delayed accrual of benefits of the schemes to the patients.

*(Paragraphs 2.2.8.4)*

## **3. Right of Children to Free and Compulsory Education Act, 2009**

The Right of Children to Free and Compulsory Education (RTE) Act was passed in 2009 and was made applicable in the State from April 2010. The Act provides that every child has a right to full time elementary education of satisfactory and equitable quality. A performance audit of the implementation of the Act during the period 2010-16 brought out deficiencies that undermined the achievement of the objectives of the Act. Some of the significant findings are summarised below:

House hold survey was not conducted for identification of children of the age group of 6 to 14 years in test-checked schools. Hence, the calculation of number of children that had to be covered was based only on estimation.

*(Paragraph 2.3 6.1)*

There were deficiencies in providing basic facilities such as rooms, drinking water, kitchen sheds, toilets, desks, library and play ground in test-checked schools.

*(Paragraph 2.3.8.2)*

There was delay in providing text books, uniform, stationery and bags to students.

*(Paragraph 2.3.8.4(i))*

In contravention of the Act, 514 to 821 unrecognized schools were functioning in the State during 2011-16.

*(Paragraph 2.3.8.7)*

### **Compliance Audit**

An audit of the functioning of the Haryana State Pollution Control Board and the implementation of the statutory provisions relating to control of environmental pollution brought out instances of projects operating without the mandatory Consent to Establish and Consent to Operate from the Board, project authorities not complying with the conditions which include conducting tests of ambient air, ambient noise and ground water and lack of monitoring and enforcement of environmental stipulations that undermined the objective of environmental controls.

*(Paragraph 3.1)*

A review of the implementation of the Food Safety and Standards Act, 2006, brought out that the Food and Drug Administration Department had neither conducted a survey to identify food business establishments nor maintained the data-base of food business establishments. Food laboratories were not equipped with modern instruments for testing food samples. Non-compliance with key provisions of the Act poses health hazards as quality of food is not assured.

*(Paragraph 3.2)*

Undue delays on the part of Land Acquisition Collector and Police Department in processing and pursuing the case for enhanced compensation resulted in avoidable payment of ₹ 4.81 crore as interest.

*(Paragraph 3.4)*

Industrial Training Department failed to upgrade Industrial Training Institutes. There were cases of poor academic achievement due to shortage of faculty, non operation of trades and lack of skill development. Besides, targets for affiliation were not achieved and pass percentage was poor.

*(Paragraph 3.5)*

Lack of coordination with other related departments as well as non-completion of critical activities not only resulted in inordinate delay in commissioning of a lift irrigation scheme but also deprived the residents of the area of the intended benefits. Expenditure of ₹ 7.87 crore incurred on the scheme remained unfruitful.

*(Paragraph 3.6)*

Implementation of the investment promotional schemes by the Department of Industries and Commerce was marked by grant of ₹ 1.32 crore for ineligible items, non-recovery of interest free loan of ₹ 26.23 crore and non-recovery of grants-in-aid of ₹ 14.76 lakh. The Department provided financial assistance under interest free loan scheme to only five industrial units in ten years. Besides, targets of Food Processing Training Centre and Entrepreneurship Development Programme were not achieved even after incurring expenditure of ₹1.65 crore.

*(Paragraph 3.7)*

Failure of the Haryana Building and Other Construction Workers Welfare Board to take over physical possession of site led to delay in construction of Workers Facilitation Centers at Kundli and Rai and blocking of funds of ₹ 10.44 crore and loss of interest of ₹ 1.32 crore.

*(Paragraph 3.8)*

Four Medical Institutions made avoidable payment of ₹ 6.59 crore of service tax on services exempted by Government of India being educational institutions.

*(Paragraph 3.9)*

Allotment of works valued at ₹ 8.57 crore by Maharaja Agrasen Medical College without ascertaining the credentials and work experience of the agency and without getting the balance work done at the risk and cost of the defaulting agency as provided for in the contract resulted in extra expenditure of ₹ 2.06 crore.

*(Paragraph 3.10)*

Non-verification of the quantities in bills with the entries in measurement book and lack of internal control checks such as reconciliation of connected records and rates of bitumen led to adoption of increased quantities and wrong calculation of difference of rates of bitumen resulting in excess payment of ₹ 1.17 crore to ten agencies.

*(Paragraph 3.13)*

Failure of Public Health Engineering Department to ensure availability of land for all components of the project resulted in incomplete works despite expenditure of ₹ 10.59 crore and discharge of treated effluent into pond and Ellenabad distributory exposing the residents of the area to unhygienic conditions and health hazards.

*(Paragraph 3.15)*

Non-adherence to the prescribed checks by Public Health Engineering Department led to pilferage of iron pipes and non-recovery of ₹ 1.19 crore on account of the pilfered material.

*(Paragraph 3.16)*

Haryana State Council for Science and Technology had withdrawn ₹ 14.66 crore without ensuring the basic requirements for setting up of Science City in contravention of codal provisions and financial propriety. However, interest earned amounting to ₹ 10.37 crore by the Council has not been deposited in the Government account.

*(Paragraph 3.17)*

Leasing out of land without assessing the unearned increase in value of land as per regulations by the Town and Country Planning Department led to non deposit of ₹ 417.15 crore. Besides, annual ground rent of ₹ 8.07 crore and interest of ₹ 2.70 crore remained unrecovered.

*(Paragraph 3.18)*

There were deficiencies in the implementation of the scheme 'Homes for Widows and Destitute Women' by the Women and Child Development Department as evident from non-repair of buildings, poor occupancy of rooms, lack of training and education to widows and destitute women to make them economically self reliant. Admission in Kasturba Sewa Sadan at Faridabad has been discontinued and no new Home has been constructed in 18 districts. The Department spent ₹ 6.50 crore on pay and allowances and only ₹ 0.95 crore on financial assistance to widows and destitute women during April 2011 to March 2016. There was poor dissemination of the scheme and lack of proper follow up.

*(Paragraph 3.19)*

Targets of '*Beti Bachao Beti Padhao*' of improving the sex ratio at birth, increasing girl's enrollment in secondary education and 100 *per cent* re-enrolment of drop-out girls could not be fully achieved. Besides, implementation of Pre-Conception & Pre-Natal Diagnostic Techniques Act needed strengthening.

*(Paragraph 3.20)*

# **Chapter 1**

## **Introduction**

## CHAPTER 1

### INTRODUCTION

#### 1.1 Budget profile

There are 56 departments and 29 autonomous bodies functioning under the Government of Haryana. The position of budget estimates and actual expenditure there against by the State Government during 2011-16 is given in **Table 1.1** below.

**Table 1.1: Budget and actual expenditure of the State during 2011-16**  
(₹ in crore)

Expenditure	2011-12		2012-13		2013-14		2014-15		2015-16	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
General Services	10,684	10,220	12,331	11,897	14,481	13,597	16,639	16,765	19,668	18,713
Social Services	13,969	12,642	15,935	14,516	18,563	15,414	21,498	19,120	25,015	21,539
Economic Services	9,923	9,054	11,348	11,557	13,000	12,740	14,372	13,088	16,549	18,691
Grants-in-aid and Contributions	103	99	170	102	179	136	194	145	213	293
<b>Total (1)</b>	<b>34,679</b>	<b>32,015</b>	<b>39,784</b>	<b>38,072</b>	<b>46,223</b>	<b>41,887</b>	<b>52,703</b>	<b>49,118</b>	<b>61,445</b>	<b>59,236</b>
Capital Outlay	4,641	5,372	4,661	5,762	5,766	3,935	5,747	3,716	5,904	6,908
Loans and Advances Disbursed	957	627	874	522	1,084	776	1,001	843	1,367	13,250
Repayment of Public Debt	6,666	4,037	9,221	5,951	13,105	7,968	13,850	8,227	10,036	7,215
Contingency Fund	-	168	-	-	-	-	-	-	-	63
Public Accounts disbursements	73,595	17,051	75,894	21,074	94,863	24,560	52,478	25,609	84,833	28,650
Closing Cash balance	-	2,162	-	2,697	-	6,007	-	6,508	-	6,218
<b>Total (2)</b>	<b>85,859</b>	<b>29,417</b>	<b>90,650</b>	<b>36,006</b>	<b>1,14,818</b>	<b>43,246</b>	<b>73,076</b>	<b>44,903</b>	<b>1,02,140</b>	<b>62,304</b>
<b>Grand Total (1+2)</b>	<b>120,538</b>	<b>61,432</b>	<b>130,434</b>	<b>74,078</b>	<b>1,61,041</b>	<b>85,132</b>	<b>1,25,779</b>	<b>94,021</b>	<b>1,63,585</b>	<b>1,21,540</b>

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 ₹ 1,63,585 crore, actual expenditure was ₹ 1,21,540 crore during 2015-16. The total expenditure<sup>1</sup> of the State increased by 109 *per cent* from ₹ 38,014 crore to ₹ 79,394 crore during 2011-16 while the revenue expenditure increased by 85 *per cent* from ₹ 32,015 crore to ₹ 59,236 crore during the same period. Non-Plan revenue expenditure increased by 68 *per cent* from ₹ 24,223 crore to ₹ 40,675 crore during this period. The revenue expenditure constituted 75 to 92 *per cent* of the total expenditure while capital expenditure was seven to 14 *per cent*.

During this period, total expenditure increased at an annual average rate of 20 *per cent* whereas revenue receipts grew at an annual average growth rate of 13 *per cent*.

<sup>1</sup> This excludes repayment of public debt, contingency fund, public account disbursements and closing cash balance.

### 1.3 Persistent savings

During the last five years, 11 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 as listed in **Table 1.2** below.

**Table 1.2: Grants indicating persistent savings**

(₹ in crore)

Sr. No.	Number and name of the grant	Amount of savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue (Voted)</b>						
1.	09-Education	882.37 (13)	1,591.65 (19)	1,818.31 (21)	1,369.49 (14)	2,317.26 (20)
2.	10- Technical Education	143.48 (36)	68.22 (19)	78.68 (21)	137.08 (28)	93.47 (20)
3.	11-Sports and Youth Welfare	30.95 (27)	19.25 (13)	56.33 (31)	58.82 (25)	84.43 (27)
4.	13-Health	222.05 (16)	253.27 (14)	279.74 (14)	576.18 (21)	547.14 (18)
5.	14-Urban Development	30.68 (36)	41.48 (15)	118.37 (62)	32.64 (24)	63.06 (37)
6.	15-Local Government	587.83 (39)	379.76 (22)	589.57 (27)	584.00 (28)	1,407.70 (43)
7.	23-Food and Supplies	122.78 (58)	107.83 (52)	185.52 (51)	166.43 (45)	122.74 (33)
8.	24-Irrigation	409.81 (30)	375.55 (27)	382.54 (25)	512.00 (31)	359.16 (21)
9.	27-Agriculture	290.56 (31)	184.55 (20)	256.92 (24)	473.74 (37)	374.19 (27)
10.	32-Rural and Community Development	130.63 (10)	159.83 (10)	345.36 (16)	580.95 (23)	815.54 (28)
<b>Capital (Voted)</b>						
11.	38-Public Health & Water Supply	201.05 (20)	324.40 (28)	137.28 (11)	146.74 (13)	323.70 (28)
<b>Capital (Charged)</b>						
12.	Public Debt	2,944.26 (37)	4,250.68 (40)	5,027.64 (38)	5,622.44 (41)	2,820.83 (28)

**Note:** Figures in parenthesis show percentage of savings to total provision  
(Source: Appropriation Accounts of concerned years)

### 1.4 Grants-in-aid from Government of India

Grants-in-aid from Government of India (GOI) increased by ₹ 1,375.88 crore in 2015-16 over the previous year as shown in **Table 1.3** below.

**Table 1.3: Grants-in-aid received from GOI**

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Non-Plan Grants</b>	1,246.51 (-29)	851.62 (-32)	2,256.17 (165)	1,723.20 (-24)	3,744.39 (117)
<b>Grants for State Plan Schemes</b>	674.54 (-10)	727.75 (8)	856.66 (18)	2,815.36 (229)	2,268.18 (-19)
<b>Grants for Central Plan Schemes</b>	50.79 (-42)	44.32 (-13)	62.99 (42)	24.57 (-61)	27.53 (12)
<b>Grants for Centrally Sponsored Schemes</b>	783.09 (75)	715.56 (-9)	951.36 (33)	439.75 (-54)	338.66 (-23)
<b>Total</b>	<b>2,754.93 (-10)</b>	<b>2,339.25 (-15)</b>	<b>4,127.18 (76)</b>	<b>5,002.88 (21)</b>	<b>6,378.76 (28)</b>

(The percentage increase over previous year is shown in parenthesis)  
(Source: Finance Accounts for respective years)



In addition to above, GOI had been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes. GOI decided to route these funds through the State Budget from 2014-15 onwards. However, during 2015-16, GOI transferred ₹ 919.15 crore directly to various implementing agencies/non-governmental organizations in the State.

### **1.5 Planning and conduct of audit**

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

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

During 2015-16, compliance audit of 1,120 drawing and disbursing officers of the State and 22 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Haryana. In addition, four performance audits<sup>2</sup> were also conducted.

### **1.6 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 offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens. 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.

This Audit Report contains three Performance Audits and 20 compliance audit paragraphs which were forwarded to the concerned Administrative Secretaries. Though the replies of the auditee units/Directorates were received in respect of all the compliance audit paras and performance audits, replies from the administrative Departments have been received for only nine compliance audit paragraphs which

<sup>2</sup> (i) Working of Pt. Bhagwat Dayal Sharma, PGIMS, Rohtak (ii) Working of Haryana State Agricultural Marketing Board (iii) Right of Children to Free and Compulsory Education Act, 2009 and (iv) Environment Clearance and Post Clearance Monitoring.

have been suitably incorporated in the Audit Report.

### 1.7 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 ₹ 1.41 crore was recovered in 25 cases during 2015-16 by various departments after being pointed out by the Audit through Inspection Reports.

### 1.8 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 May 2016 relating to various offices of Higher Education Department revealed that 633 paragraphs of 186 IRs with money value of ₹ 1,183.53 crore remained outstanding at the end of May 2016 as indicated in the **Table 1.4** below.

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

Year	Number of Inspection Reports	Number of Paragraphs	Amount (₹ in crore)
2004-05 to 2010-11	127	327	408.63
2011-12	6	25	203.00
2012-13	7	49	151.23
2013-14	18	101	152.90
2014-15	23	100	156.60
2015-16 (Upto May 2016)	5	31	111.17
<b>Total</b>	<b>186</b>	<b>633</b>	<b>1,183.53</b>

(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 31 May 2016 are indicated in **Appendix 1.1**.

The Department has not ensured prompt and timely action on the audit observations.

### 1.9 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, administrative departments are to initiate *suo moto* action on all audit paragraphs

and performance audits featuring in the Comptroller and Auditor General's Audit Reports regardless of whether the cases were taken up for examination by the Public Accounts Committee or not. The administrative departments are required to furnish Action Taken Notes (ATNs) indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position of receipt of ATNs on the paragraphs included in the Audit Reports up to the period ended 31 March 2016 revealed that 72 paragraphs and performance audits of 33 administrative departments included in Audit Reports for the periods 2012-13, 2013-14 and 2014-15 were yet to be discussed in the Public Accounts Committee (*Appendix 1.2*). ATNs on 55 paragraphs and performance audits in case of 29 administrative departments were not submitted as per details given in the *Appendix 1.3*. Sixteen administrative departments had not taken any action to recover the amount of ₹ 1,161.92 crore in respect of 32 paragraphs and performance audits as per details given in the *Appendix 1.4*.

The response of the administrative departments towards the recommendations of the Public Accounts Committee was not encouraging as 511 recommendations relating to Audit Reports for the period from 1971-72 to 2010-11 were still awaiting final action by the concerned administrative departments as per details given in *Appendix 1.5*.

### **1.10 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 fields of Urban Development, Housing, Labour Welfare and Agriculture. The audit of accounts of 29 bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and its placement in the Legislature as on 31 August 2016 is indicated in *Appendix 1.6*.

One<sup>3</sup> autonomous body had not submitted its annual accounts for the last 19 years (1996-97 and onwards) whereas the delay in respect of other bodies ranged between one year and seven years. Delay in finalization of accounts carries the risk of financial irregularities going undetected. Therefore, the accounts need to be finalized and submitted to Audit at the earliest.

SARs in respect of Haryana Labour Welfare Board Chandigarh (2009-10 to 2014-15) and Haryana Building and Other Construction Workers Welfare Board Chandigarh (2009-10 to 2013-14) have not been placed before the State Legislature.

<sup>3</sup> District Legal Services Authority, Jhajjar.

### 1.11 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 along with their money value is given in **Table 1.5** below.

**Table 1.5: Details regarding reviews and paragraphs appeared in Audit Report during 2013-15**

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Draft paragraphs
2013-14	3	887.81	23	148.81	3	7
2014-15	3	242.86	27	285.78	3	13

During 2015-16, three performance audits and 20 paragraphs involving ₹ 747.16 crore have been included in this Report.

**Chapter-2**  
**Performance Audit**

## Chapter 2

### Performance Audit

#### Agriculture Department

#### 2.1 Working of Haryana State Agricultural Marketing Board

The Haryana State Agricultural Marketing Board was set up in August 1969 with the main objective of providing facilities for better regulation of purchase, sale, storage and processing of agricultural produce. A performance audit of the functioning of the Board for the period 2011-16 brought out lack of long term planning and deficiencies in both financial management and execution of projects and schemes which undermined the overall objectives of the Board. Some of the significant findings are summarized below:

##### Highlights

**Surplus funds were kept in savings bank accounts instead of in fixed deposits resulting in loss of interest of ₹ 6 crore. An amount of ₹ 126.44 crore was outstanding on account of interest on loan, godown rent, water and sewerage charges, cost of shop/booth sites/land and enhanced land compensation.**

*(Paragraphs 2.1.7.4 and 2.1.7.5)*

**Basic infrastructure facilities such as boundary walls, weighbridge at entry point, check-post, canteen and dormitory were not provided in 38 Market Committees.**

*(Paragraph 2.1.8.1)*

**Plots were allotted to ineligible licensees on reserve price resulting in loss of ₹ 1.82 crore.**

*(Paragraph 2.1.8.3)*

**Penalty of ₹ 2.39 crore was not levied for irregular construction of basement/upper storey on shops/booths.**

*(Paragraph 2.1.8.4)*

**Three schemes aimed at promotion of agricultural innovations and research and development were not implemented though funds were available.**

*(Paragraph 2.1.10)*

##### 2.1.1 Introduction

The Haryana State Agricultural Marketing Board (Board) was set up in August 1969 for supervising and controlling the Market Committees (MCs) in the State and to regulate the purchase, sale, storage and processing of agricultural produce in the State within the framework of the Punjab Agricultural Produce Markets

(PAPM) Act, 1961 and the Punjab Agricultural Produce Markets (General) Rules, 1962, as adopted by Haryana. The main activities of the Board were creation of agricultural markets and facilitating auctions, shortening distances to markets by constructing link roads and providing facilities and information to farmers for marketing their produce. As of March 2016, the State has 107 MCs which supervise 107 principal yards, 173 sub-yards and 195 purchase centres for seasonal sale/purchase.

During 2011-16, the Board constructed new rural link roads of 2,288 kms length and one sub-yard was converted into principal yard, four sub-yards were made purchase centres and one new purchase centre was established besides repairing existing roads and providing additional facilities such as common platforms, covered sheds, tower lights and sewerage system in the existing *mandis*.

### 2.1.2 Organisational set-up

The Additional Chief Secretary to Government of Haryana, Agriculture Department, is the administrative head at the Government level. The Board is headed by a Chairperson nominated by the State Government and the Chief Administrator (CA) is the executive head and controlling officer. He is assisted by a Secretary, an Engineer-in-Chief (EIC), two Chief Engineers, a Chief Marketing Enforcement Officer (CMEO) and a Controller of Finance and Accounts (CFA). Each MC is to be governed by a nominated body headed by a Chairperson and have an Executive Officer -cum- Secretary and other supervisory staff. The Board has a full-fledged construction wing consisting of seven circles each headed by a Superintending Engineer and 21 Civil, three Electrical, two Public Health Engineering Divisions and one Quality Control Division headed by Executive Engineers (EEs).

### 2.1.3 Audit objectives

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

- planning process was comprehensive and operations efficiently and effectively carried out;
- financial and manpower management was efficient;
- Board created basic infrastructure in the *mandis*, link roads and assisted farmers through various schemes; and
- internal control system was effective and efficient.

### 2.1.4 Scope of Audit

The office of the Board located at Panchkula, all 39 MCs of seven<sup>1</sup> out of 21 districts and seven<sup>2</sup> out of 27 construction divisions were selected for test check

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<sup>1</sup> Kaithal, Hissar, Kurukshetra, Sonapat, Sirsa, Fatehabad and Faridabad.

<sup>2</sup> Rohtak, Karnal, Faridabad, Jind, Bhiwani, Sirsa and Yamuna Nagar.

using the Probability Proportionate to Size without Replacement method. One training school situated at Panchkula and a special project 'India International Terminal Market' being set up at Gannaur was also covered. The performance audit for the period 2011-16 was conducted during the period from October 2015 to June 2016.

A mention was made (paragraph 1.1) in the Comptroller and Auditor General of India's Report (Civil) for the year ended 31 March 2010, Government of Haryana, on the working of Haryana State Agricultural Marketing Board and was discussed by Public Accounts Committee (PAC) during 2014-15. The recommendations of PAC were kept in view while conducting the performance audit.

An entry conference was held in the March 2016 with the Additional Chief Secretary to Government of Haryana, Agriculture Department, wherein the audit objectives and audit criteria were discussed. The audit findings of the performance audit were discussed in an exit conference held in August 2016 with the Additional Chief Secretary Agriculture Department and deliberations of the conference have been suitably incorporated in the report.

### **2.1.5 Audit criteria**

The audit criteria were derived from the following:

- Punjab Agricultural Produce Markets Act 1961 and Rules and bye-laws made thereunder;
- Targets/provisions made in the Annual Plans of the Board;
- Haryana State Agricultural Marketing Board (Sale of immovable property) Rules 1997 and 2000; and
- Haryana State Agricultural Marketing Board Accounts Manual.

### **Audit findings**

#### **2.1.6 Planning**

##### ***2.1.6.1 Lack of planning***

In order to achieve its objectives, the Board should prepare a long term perspective plan for development works to be undertaken after taking into account the requirement of various facilities in MCs and availability of funds with the Board. The Board has a Planning and Development wing to assess the demands and requirements of development of mandis. It was, however, noticed that the Board neither prepared a long term perspective plan showing annual targets in physical and financial terms nor annual plans. The Board had not made any assessment of requirement of total number of markets, new development works required in mandis and new roads to facilitate the farmers to bring their agricultural produce to mandis. The total number of *mandis* was 475 as against



the requirement of 563 *mandis* as envisaged by the National Agriculture Mission (January 2013).

The Chief Administrator stated (August 2016) that work plans were being prepared for special and annual repairs of roads. The reply was not tenable as the Board was required to prepare a long term perspective plan and annual plans after taking into account the requirement of various facilities such as water supply, sewerage systems, weighbridges, covered platforms and canteens in MCs which was not done.

#### **2.1.6.2 Non-formation of market committees**

Section 12 of the Punjab Agricultural Produce Markets (PAPM) Act, 1961, provides that an MC shall consist of 11 or 19 members as the State Government may determine out of which one shall be an official appointed by the State Government and the remaining shall be nominated by the State Government out of producers, licensees, members of scheduled castes, scheduled tribes and backward classes.

Scrutiny of records of the test checked MCs revealed that no Chairman, Vice-Chairman or other members of the MC were nominated by the Government during 2011-16 and the powers of Chairman were being exercised by the respective Sub-Divisional Magistrates. State Government had also not nominated any members out of producers, licensees, members of scheduled castes, scheduled tribes and backward classes. As such, there was no representation of stakeholders in the MCs. Proper planning could have been done at MCs level had MCs been properly formed with the representation of stakeholders.

The department informed (August 2016) that corrective action would be taken in this regard.

#### **2.1.7 Financial management**

Section 27 of PAPM Act provides that every MC shall pay to the Board a contribution at prescribed<sup>3</sup> percentage of its income derived from market fees levied by MCs under Section 23 of the PAPM Act. The MCs also deposit funds with the Board for execution of developmental works. The expenditure of the Board is mainly on salaries and travelling allowances of staff and contingencies. The MCs maintain separate accounts and also prepare their income and expenditure accounts and balance sheets.

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<sup>3</sup> (i) 20 per cent if the annual income does not exceed ₹ 10,000; (ii) if the annual income of the committee exceeds ₹ 10,000 then (a) 20 per cent on the first of ₹ 10,000; (b) 25 per cent on the next ₹ 5,000 or part thereof; (c) 30 per cent on the remaining income.

The position of the income and expenditure of the Board is given in **Table 2.1.1** below.

**Table 2.1.1: Income and expenditure of the Board**

(₹ in crore)

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Total income	146.70	180.14	182.66	196.94	177.14
Total expenditure	137.96	161.18	169.59	192.98	216.56
Funds unutilized	8.74	18.96	13.07	3.96	(-)39.42
Income from interest	11.50	19.34	17.21	12.49	7.80

Source: Balance Sheets of the Board

#### 2.1.7.1 Budget provision vis-à-vis expenditure

The Board prepares annual budget estimates. The position of the budget estimates and actual expenditure incurred there against for the period 2011-16 is given in **Table 2.1.2** below.

**Table 2.1.2: Budget provision and expenditure**

(₹ in crore)

Year	Budget provision	Expenditure	Savings(-) excess(+)	Percentage of savings
2011-12	206.09	137.96	(-)68.13	33
2012-13	216.52	161.18	(-)55.34	26
2013-14	267.42	169.59	(-)97.83	37
2014-15	276.94	192.98	(-)83.96	30
2015-16	258.87	213.55	(-)45.32	18

Source: Data supplied by the Board

As evident from the above, the savings ranged between 26 and 37 per cent during 2011-16. The Board also incurred an expenditure of ₹ 2,245.55 crore on execution of works during 2011-16.

The Chief Administrator attributed (August 2016) the savings under revenue to vacant posts in various cadres. The reply is not tenable as estimates of revenue expenditure should have been prepared after taking into consideration the probability of filling up of the vacant posts.

#### 2.1.7.2 Budget estimates and receipts of Market Committees

The main source of income of MCs is market fees leviable on agricultural produce as defined under Section 23 of the PAM Act. **Table 2.1.3** below shows the details of income and actual receipts of all MCs during the period 2011-16.

**Table 2.1.3: Budget estimates and actual receipt of Market Committees**

(₹ in crore)

Year	2011-12	2012-12	2013-14	2014-15	2015-16
Budget estimates	481.88	659.92	825.78	736.12	732.36
Actual receipts	436.92	568.76	624.63	692.32	675.07

Source: Data provided by the Board

Scrutiny of the budget estimates of the Market Committees revealed that estimates/targets of market fees were not prepared with reference to production of crops and their arrival in *mandis* during previous years. Instead, these were prepared on the basis of fees realized in the previous years. Details of production and arrival of produce of main crops in *mandis* for the period 2011-16 is given in **Appendix 2.1**. An analysis of the data showed that there was wide gap in arrival of crops in *mandis* including paddy which varied from 67 to 87 *per cent* of production. In case of paddy, the arrival at *mandis* ranged between 151 and 177 *per cent* of production which indicated that arrival of paddy included those from outside the State. Further, arrival of crops excluding paddy was between 46 and 69 *per cent*. The arrival of cotton was very dismal and ranged between 24 and 46 *per cent*. With such wide variations in production and arrival of produce in *mandis*, performance of revenue realization could not be assessed in audit.

The department stated (August 2016) that the since figures of agriculture production are based on estimates, targets of market fees were fixed on the basis of market fees realized during previous years.

#### **2.1.7.3 Transfer of funds for development works by MCs**

As per Section 18 of PAMP Act, every MC shall be a corporate as well as a local authority and competent to acquire and hold property, both movable and immovable, and no Committee shall permanently transfer any immovable property except in pursuance of resolution passed by members of the Committee and with prior approval of the Chief Administrator of the Board. Further, Sections 27 and 28 of the Act *ibid* provide that all money received by a Committee shall be paid into a fund and all expenditure incurred by the Committee shall be defrayed out of such fund. The Market Committee Funds shall be expended for acquisition of sites for the market, construction and repair of buildings, pay, leave and allowances.

Audit observed that an amount of ₹ 909.87 crore was transferred by 39 MCs to the Board for deposit works during 2011-16. The amount was deposited by MCs without preparation of development plans and assessment of expenditure on deposit works. Development funds of one MC were being spent on the works of other MCs. Further, MC-wise receipt of funds and utilization there against was not maintained by the Board. Moreover, interest of ₹ 60.54 crore earned during the period 2011-15 on deposited amount was treated as income of the Board which was irregular as the benefit of interest earned should have been passed on to the MCs.

#### **2.1.7.4 Non-investment of excess funds in fixed deposits**

According to Rule 3 of the Haryana State Agricultural Marketing Board and Market Committees, Investment and Disposal of Surplus Fund Rules, 1981, an MC is required to invest its surplus funds or any portion thereof in securities of the Central Government, a savings bank or in fixed deposit receipts (FDRs) of a post office, nationalized bank or the Haryana State/Central Co-operative Bank.

The Audit Report for the year ended 31 March 2010 had highlighted the non-investment of surplus funds by MCs and the PAC had recommended investing surplus funds in FDRs. Scrutiny of records of 39 MCs revealed that in 20 MCs, neither flexi accounts were opened nor excess funds invested in fixed deposits which resulted in loss of ₹ 6 crore (*Appendix 2.2*) on account of interest during the period 2011-16.

### 2.1.7.5 Delay/non-recovery of interest, godown rent, water and sewerage charges and cost of shops/booth plots

Scrutiny of the records revealed that the Board and MCs were not prompt in recovery of their dues resulting in ₹ 126.44 crore remaining outstanding as discussed in **Table 2.1.4** below.

**Table 2.1.4: Details showing delay/non-recovery of interest, godown rent, water and sewerage charges and cost of shops/booth plots**

Details of outstanding dues	Amount (₹ in crore)	Response of Department
<b>1. Interest on loan</b>		
A loan of ₹ 50 crore was released (August 2014) to the Haryana Rural Development Fund Administration Board (HRDFAB) on which interest at the rate of 9.25 per cent per annum (compounded quarterly) was to be paid by the Government through Finance Department. The loan was refunded in December 2014 but interest not paid.	1.32	The Chief Administrator (CA) informed that efforts were being made to recover the interest.
<b>2. Godown rent</b>		
In 8 MCs, an amount of ₹ 1.01 crore for the period from 2003-04 to 2015-16 ( <i>Appendix 2.3</i> ) on account of godown rent remained unrecovered. Out of this, ₹ 0.56 crore was outstanding against Government procurement agencies and ₹ 0.45 crore against private agencies.	1.01	The CA intimated that efforts were being made to recover the balance amount.
<b>3. Water and sewerage charges</b>		
Though the facility of water supply and sewerage was provided, water and sewerage charges were not levied by 9 MCs resulting in non-recovery of ₹ 52.46 lakh. Further, in 3 MCs, although the water and sewerage charges were levied, ₹ 3.94 lakh remained unrecovered till March 2016 ( <i>Appendix 2.4</i> ).	0.56	The CA intimated that action would be initiated against the officers/ officials for not levying the charges.
<b>4. Cost of shops/booth plots</b>		
In case of failure to deposit the installment of shop/booths plots in time, penal interest at the rate of 4 per cent per annum compounded half yearly shall be charged and in case of two successive defaults, the plot should be resumed after forfeiture of 10 per cent of total cost along with interest and other dues. In 18 MCs, an amount of ₹ 93.83 crore was outstanding against allottee of plots ( <i>Appendix 2.5</i> ). While ₹ 30.88 crore out of the outstanding amount was related to matters which were sub judice, the remaining outstanding amount of ₹ 62.95 crore which was free from any type of litigation also remained unrecovered. The respective MCs had neither initiated any action for recovery of dues nor for resumption of plots.	93.83	The CA intimated that action for recovery would be initiated and proper monitoring system would be devised.

Details of outstanding dues	Amount (₹ in crore)	Response of Department
<b>5. Enhanced land Compensation</b>		
An amount of ₹ 29.37 crore was paid as enhanced land compensation ( <i>Appendix 2.6</i> ) by 5 MCs but the same was not recovered from plot holders as envisaged in Rule 3(xi) of HSAMB (Sale of Immovable property) Rules 2000. This resulted in non-recovery of ₹ 29.37 crore and loss of interest of ₹ 8.03 crore (12 per cent per annum) to the MCs.	29.37	CA stated that recovery proceedings had been initiated and the amount would be recovered shortly.
<b>6. Delay in recovery of enhanced land compensation</b>		
MC Sonapat paid ₹ 1.10 crore in December 2006 as enhanced land compensation and ₹ 36.10 lakh was recoverable from plot holders. The demand of enhanced land compensation was made from plot owners only in January 2015, after a delay of 8 years and recovery was made in March 2015. Delay in recovery of enhanced land compensation resulted in loss of interest of ₹ 34.65 lakh (12 per cent per annum) to the MC.	0.35	The CA stated that effort would be made to recover the loss and responsibility for delay in recovery would be fixed.
<b>Total</b>	<b>126.44</b>	

Thus, financial management of the Board was marred by deficiencies such as erratic budget making process relating to expenditure and receipt of market fees, non-investment of excess funds in fixed deposits and non-recovery of enhanced land compensation, godown rent and water and sewerage charges.

## 2.1.8 Infrastructural facilities in mandis

### 2.1.8.1 Lack of facilities in mandis

The Board approved (June 2006) the provision of basic/additional facilities in each principal yard, sub-yard and purchase centre like water supply and sewerage systems, weighbridges at entry points, covered platforms, internal service roads, rooms with coolers and canteens in principal yard and sub-yards. Further, boundary walls, two dormitories with toilet facilities, one or two mini towers in addition to temporary lights, sufficient temporary arrangement for drinking water and toilets were required to be provided in the purchase centres.

The Audit Report for the year ended 31 March 2010 had brought out the need for infrastructural facilities in mandis and the Public Accounts Committee in its 71st Report had recommended that the department should provide the remaining infrastructural facilities in *mandis* at appropriate time. Audit scrutiny brought out that infrastructure facilities were still lacking in *mandis* of 38 MCs out of 39 test-checked MCs as of November 2016 (*Appendix 2.7*).

### 2.1.8.2 Misuse of infrastructure

As per Rule 3 (viii) of HSAMB (Sale of Immovable Property) Rules, 2000, an allottee of a shop plot was not permitted to use the premises for any purpose other than marketing of notified agricultural produce. In case of misuse of such premises, the allotment would be cancelled and 10 per cent of the value of the

plot, interest and other dues paid would be forfeited. Such an allottee should be debarred from allotment of any other site under these rules.

During joint physical inspection of test checked MCs along with officials of MCs, it was noticed that business relating to other than agricultural produce i.e. gun house, jewellery, advertisement, property dealing, medical store/clinic, kitchen store, cement store, accounting services, resort and catering services, guest house, school, hardware shop, oil manufacturing units and banking activities were being conducted in *mandi* shops in 11 MCs (*Appendix 2.8*). However, no action to stop the non-agricultural business and to cancel the allotment was initiated except in MC Bhattu Kalan which issued notices (April 2015) to shop owners. Thus, the objective of allotment of the shops was not achieved. Thus, proper control was not exercised to ensure the use of infrastructure in mandis for marketing of agricultural produce.

The Chief Administrator assured (August 2016) that appropriate action would be initiated against the defaulters.

### ***2.1.8.3 Allotment of plots to ineligible licensees***

As per Rule 3 (iii & iv) of HSAMB (Sale of Immovable Property) Rules 2000, only those licensees who have valid license for four years on the date fixed for inviting applications for draw of lot shall be eligible for allotment of plots. These licensees must have paid market fee of at least ₹ 5,000 annually for the last two years.

The Government decided to wind up the old grain market of Faridabad and to shift the business to New Grain Market, Faridabad. MC Faridabad invited applications on 8 August 2014 from old licensees working in the old de-notified grain market. Fourteen licensees applied for allotments of plots on reserve price. The Allotment Committee declared (26 September 2014) two firms ineligible for allotment of the plots due to non-fulfillment of conditions prescribed under Rule 3 *ibid*. The sites which are not allotted at reserve price are sold through auction.

In the meantime, these two firms got their Form "M"<sup>4</sup> verified in August 2014 from MC Faridabad which showed that agricultural produce was purchased by these two firms during the period from January 2012 to March 2014 and deposited the market fee of ₹ 0.40 lakh along with penalty in August 2014 to become eligible for allotment of plot at reserve price. Thereafter, the firms appealed before the CA of the Board on the grounds that since they had paid the market fees, they had become eligible for allotment of plot at reserve price. The CA declared (October 2014) them eligible for allotment of plot on reserve price and the plots were allotted (November 2014) to them on reserve price at ₹ 81.90 lakh per plot.

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<sup>4</sup> Every licensed dealer shall submit a return in Form "M" showing his purchases and sales of each transaction of agricultural produce or each transaction of agricultural produce brought for processing within seven days of the date of transaction.

Scrutiny of the records revealed that the transactions of agricultural produce shown by both the firms were not entered in the H<sup>5</sup>-register of the committee. This indicated that the sale was not effected in the *mandi* and M-return which should have been filled up within seven days of the transaction were not submitted for three years. The same were submitted by the firms only after the date of invitation of applications for allotment of plots. The Committee had verified the M-return of the firms without cross checking the transactions from H registers for the period 2011-14 making them eligible for allotment of plots though the H register of the MC had no records of their *mandi* transactions. Allotment of plots to ineligible licensees on reserve price resulted loss of ₹ 1.82 crore<sup>6</sup> as the minimum auctioned price of shops of the same size and in the same area i.e. New Grain Market, Faridabad, was ₹ 1.73 crore each.

The department intimated (August 2016) that an inquiry would be conducted and appropriate action initiated.

#### **2.1.8.4 Irregular construction of basement in shops/booths and upper storey on booths**

As per Rule 3 (xiii) and (xiv) of HSAMB (Sale of Immovable Property) Rules 2000, in case of intention of construction of upper storey on booths or basement in shops/booths, prior permission from the MC should be obtained by payment of additional amount equal to 10 *per cent* of allotment price of plot and if construction had already been done, a penalty of 15 *per cent* of allotment price shall be levied and obtained from allottee. Audit observed that MCs were not monitoring the compliance of the Rule as no records were maintained in this regard.

During joint physical verification of test checked *mandis* along with representatives of the MCs, it was noticed that allottee of plots in 10 MCs had constructed upper storey on booths or basement in shops (**Appendix 2.9**) but no penalty was imposed on owners by MCs. The penalty amount works out to ₹ 2.39 crore.

The department intimated (August 2016) that instructions would be issued for recovery of amount of penalty.

#### **2.1.8.5 Non-auction of plots**

Development work of New Vegetable Market (NVM) in MC Jakhal was completed in October 2009 after incurring an expenditure of ₹ 79.78 lakh and the NVM was handed over to MC concerned in November 2009. The NVM consisted of 24 plots for shops and 29 plots for booths. Audit observed that despite repeated requests by MC, the Board had not fixed a reserve price for auction of the plots resulting in non-auction of plots and blocking of funds of ₹ 79.78 lakh.

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<sup>5</sup> As soon as the auction for a lot of agricultural produce is over, the auctioneer shall fill in the relevant particulars in a book to be mentioned in form H and shall secure the signatures of both the buyer and the seller.

<sup>6</sup> ₹ 3.46 crore (2x ₹ 1.73 crore) - ₹ 1.64 crore (2x 0.82 crore) = ₹ 1.82 crore.

The Chief Administrator stated (August 2016) that auction of shops was held on 29 June 2016 and even earlier but no shop was sold. The reply does not address the audit observation and such undue delay in fixation of reserve price and auction of plots even after seven years of construction defeats the purpose of the expenditure incurred.

#### **2.1.8.6 Encroachment on mandi land**

As per instructions of the Board issued in June 1989, District Marketing Enforcement Officers and Zonal Marketing Enforcement Officers were required to ensure that there was no encroachment on *mandi* land.

The Audit Report for the year ended 31 March 2010 had highlighted encroachment on *mandi* land and the Public Accounts Committee in its 71st Report had recommended that the department should make efforts for preventing such encroachments on *mandi* lands. But the irregularities were still persisting as joint physical verification of mandis of test checked MCs brought out that adjoining parking space, space in front of shops and rear of shops had been encroached upon in five out of 39 mandis (**Appendix 2.10**) by making sheds. No action to remove the encroachments was taken by the MCs.

The Chief Administrator assured (August 2016) that appropriate action would be initiated against defaulters.

Thus, there were deficiencies in providing basic facilities in *mandis*. Further, plots were allotted to ineligible licensees, businesses other than agriculture were being conducted in *mandis*, plots remained un-auctioned and *mandi* land was encroached upon.

### **2.1.9 Execution of link roads and other works**

#### **2.1.9.1 Unfruitful expenditure on construction of road**

Paragraph 10.10.4 of Haryana PWD Code provides that at the time of preparation of rough cost estimate, the site should be inspected to ascertain field conditions including availability of land and estimate of project should include Geographic Information System (GIS) mapping of the road work in question and availability of right of way.

Administrative approval for construction of link road from village Seman to Singhwa was accorded by the Chief Administrator for ₹ 1.30 crore in February 2014. The work was allotted (February 2014) to a contractor for ₹ 1.27 crore. The work was completed in November 2014. The total length of the road was 4.59 kms.

Audit observed that the division prepared the estimate of work on the basis of *sizra* plan<sup>7</sup> collected from the Revenue Department without inspection of site.

<sup>7</sup> Map of a village.



During *nishandehi* (demarcation) in April 2014 for consolidation *path*, it was noticed that revenue *path* was not available in 80 metres length. The matter was brought to the notice of the Chief Engineer who ordered that construction be started immediately where revenue *path* existed and efforts be made to arrange land free of cost where *path* was not available. The account of the contractor was finalized in May 2015 without completion of complete road and ₹ 1.32 crore released to him. Thus, preparation of estimate without inspection of site and start of work without getting site clearance, resulted in unfruitful expenditure of ₹ 1.32 crore incurred on construction of road as the road could not be used by through traffic due to gap of 80 metres length.

The Chief Administrator stated (August 2016) that instructions would be issued to prepare the estimates of road by conducting survey of site to ensure availability of land for the full length. No responsibility was fixed for the lapse.

### ***2.1.9.2 Execution of sub-standard work and excess payment to contractor***

According to para 20.5 of the PWD Code, no sub-standard work should be allowed to be done. In case sub-standard work is done by the contractor, the same should be got re-done in accordance with the specifications. Further, as per paragraph 18.1 of PWD code, payment should be made after actual measurement of the work executed and entries recorded in the measurement books.

The work of Development of Timber Market at village Manakpur (MC Jagadhari) was allotted in April 2008 to a contractor for ₹ 5.86 crore to be completed within 12 months. The contractor left (July 2010) the work after executing the work of platform, roads and front parking for ₹ 2.88 crore.

Scrutiny of the records of work revealed that a Committee comprising of 3 SDOs and 2 JEs worked out (October 2011) rectification cost of defective work of platform, roads and front parking at ₹ 39.97 lakh. Notice for recovery for the cost of defective work was issued in November 2011 but the agency did not rectify the defective work. The cost for defective work had not yet been recovered from the agency (August 2016). Further, as per final measurement, an excess payment of ₹ 30.30 lakh<sup>8</sup> had also been made on account of item of earth work and stone soiling without execution at site, secured advance without availability of material at site, issue of excess bitumen without requirement at site and defective execution of work. Thus, the codal provisions were not adhered to while releasing the payments to contractor. The amount paid in excess had not yet been recovered (August 2016).

The Chief Administrator stated (August 2016) that action would be initiated against the officers responsible and for blacklisting of defaulting agency.

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<sup>8</sup> (i) ₹ 14.64 lakh for earth work without execution. (ii) ₹ 12.06 lakh excess issuance of bitumen without requirement. (iii) ₹ 2.84 lakh for secured advance without availability of material. (iv) ₹ 0.76 lakh for defective work, stone soiling without execution, etc.

### 2.1.9.3 *Non-recovery of material issued to contractor*

As per paragraph 25.9.2 of PWD Code, an immediate report of the actual/physical loss of stores shall be made by the Divisional Officer to higher authorities and where necessary to the Police and all steps should be taken for recovery of the loss.

The work of Construction of eight new link roads was allotted (May 2008) to an agency by EE, HSAMB Jhajjar. As per the agreement, bitumen was to be supplied by the Division. On perusal of the records, it was noticed that 108.065 MT bitumen was issued (March 2009 to September 2009) to the agency for execution of work. But the agency left the work incomplete (November 2009). On measurement of the work in February 2010, it was noticed that 58.719 MT bitumen was consumed on the work. The balance quantity 49.346 MT of bitumen was required to be taken back in the store but the same was not returned by the agency. An amount of ₹ 33.06 lakh was due for recovery on this account of which ₹ 11.65 lakh had been recovered. Balance of ₹ 21.41 lakh remained outstanding (August 2016).

The Chief Administrator intimated (August 2016) that the recovery process had been started.

### 2.1.10 **Non-implementation of schemes**

#### 2.1.10.1 *Farmers' assistance/agriculture research schemes*

The State Government formulated three schemes aimed at catalyzing innovations in management of agricultural produce and encouraging research and development in fields of agricultural production and management. However, none of the schemes were implemented as discussed below:

(i) **Promotion of Agriculture Innovations:** The Haryana Society Promotion of Agriculture Innovations (HSPA) was formed in March 2014 with the aim and objective of becoming an innovative and creative society by promoting farmers' grass root innovations and promoting new initiatives towards sustainable technologies, building linkage between excellence in formal scientific systems and informal knowledge system. The State Government ordered (August 2014) the Board to transfer funds of ₹ one crore every year from 2013-14 to HSPA for Marketing Development Fund. But no funds were transferred by the Board to the HSPA.

(ii) **Haryana State Agricultural Research and Development Fund:** The State Government established (April 2013) Research and Development Fund to be operated by Haryana Kisan Ayog and funded by the Board. The Fund was created to sponsor and support some short term result oriented ad hoc research schemes which aims at filling critical gaps in the scientific fields or in resolution of problems limiting production, processing and marketing of agricultural produce

including animal and fish products. A budget provision of ₹ 6.50 crore<sup>9</sup> was made during 2014-16. The scheme was, however, not implemented (August 2016) as no funds were transferred to the said fund.

**(iii) Farmers Input Scheme:** Farmers Input Scheme was to be implemented by the Board in the shape of subsidy for purchase of high quality/imported/hybrid seeds, implements, gypsum and reclamation of alkaline land through Haryana State Land Reclamation and Development Corporation. For implementation of the scheme, budget of ₹ 10 lakh each year was made during 2012-16. But the funds were not transferred and the scheme was not implemented (August 2016) depriving the farmers from the intended benefits of the scheme.

The department assured (August 2016) that the schemes would be implemented in future.

#### **2.1.10.2 Unfruitful expenditure on computerization**

With the objective of computerization of HSAMB for ease of administration, reduction of manual work, improving revenue generation and collection from market activities by operation of gates and auction in a transparent manner and improving the quality of services and information to all the market functionaries and farmers, an *e-mandi* project was undertaken in July 2009 in collaboration with the Department of Administrative Reforms and Public Grievance, (DARPG), Government of India. Funds of ₹ 96.80 lakh were provided (December 2009) by the DARPG to the Board. Tenders were invited (May 2010) and work was allotted to a firm (October 2010) for ₹ 1.75 crore. The work was required to be completed by July 2012. The firm developed the software and tested (November 2011) the modules on pilot basis at Karnal *mandi* and payment of ₹ 1.03 crore was made up to September 2012 to the firm.

It was noticed that the software tested at Karnal on pilot basis was not put to use. The Board issued notice to the firm in July 2015 that the firm had not developed the modules for Engineering and Administration and modules of Mandi Management System, Enforcement, Land Acquisition and Accounts were partially developed. Out of 469 activities in different modules, while 287 activities were completed, 182 were still incomplete. The computerized system was not in operation (August 2016) and the benefit of project could not be derived after six years despite spending funds of ₹ 1.03 crore.

The Chief Administrator intimated (August 2016) that the software developed would be taken forward and made functional by November 2016. However, the software was not made functional as of December 2016.

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<sup>9</sup> 2014-15: ₹ 6 crore and 2015-16: ₹ 0.50 crore.

### 2.1.11 Manpower management

#### 2.1.11.1 Staff position

The working of the Board is divided into four wings namely (i) Administrative Wing, (ii) Enforcement Wing, (iii) Accounts Wing and (iv) Construction Wing. The Staff position is depicted in (*Appendix 2.11*). There was acute shortage of staff ranging between three and 52 per cent. Further, scrutiny of manpower management revealed the following:

- Information regarding sanctioned strength vis-à-vis men-in-position in respect of construction divisions was not available with the Board. No norms of deployment of manpower were fixed resulting in variances in deployment of JEs and draftsmen.
- 12 and 4<sup>10</sup> Secretary-cum-Executive Officers were posted at Board office and District Marketing Enforcement Officers' (DMEO) offices respectively without sanctioned strength.
- 13 Assistant Secretaries were deployed at Board office (8), Zonal Administrators office (ZAO) (4)<sup>11</sup> and Zonal Marketing Enforcement office (ZMEO), Rohtak (1) without sanctioned strength while 5 Assistant Secretaries were posted in excess of sanctioned strength in 5<sup>12</sup> MCs. On the other hand, no Assistant Secretaries were deployed in 37 MCs.
- Against the sanctioned strength of one, two Accountants were posted in 5<sup>13</sup> MCs. Further, 15 Accountants were posted at Board office (7), Construction divisions (5), ZA office (1), ZMEO (1) and DMEO (1) office without sanctioned strength while no Accountants were posted in 55 MCs.
- In 14 MCs, numbers of Mandi Supervisor deployed were more than sanctioned strength while no Mandi supervisor was deployed in 13 MCs.
- In 15 MCs, 46 Auction Recorders were deployed more than their sanctioned strength and 13 persons were posted at Board's office (7), ZMEO office (3) and DMEO office (3) without sanctioned strength whereas there was shortage of 269 posts in the cadre.

The department stated (August 2016) that rationalization of deployment of staff was under process.

<sup>10</sup> Jind, Sirsa, Karnal and Sonapat.

<sup>11</sup> Hissar(1), Karnal(1) and Gurugram (2).

<sup>12</sup> Palwal, Hodel, Nilokheri, Kanina and Nigdhu.

<sup>13</sup> Hansi, Jundla, Rewari, Rohtak and Meham.

### **2.1.11.2 Non deployment of Agri-Business Managers on assigned duties**

Agri-Business Managers (ABMs) were appointed to create opportunities of marketing of agricultural/horticultural produce and were responsible for running of Agri-Business Centres. They were to guide farmers to get better quality seeds, fertilizers, pesticides, technical knowledge and to help farmers in getting better value of produce through diversification of crops and improved crop management through integration of services with markets.

Scrutiny of records of the Board revealed that four out of 14 ABMs were posted at Board office during 2012-16 instead of at Agri-business Centres/Farmer Information Centres. There was no work relating to their assigned duties for them at Board office and hence the very purpose of their recruitment was defeated. Thus, expenditure of ₹ 72.47 lakh incurred (2012-16) on their pay and allowances did not serve the primary purpose.

### **2.1.11.3 Training**

The Haryana Institute of Agricultural Marketing was set up on the lines of National Institute of Agricultural Marketing to train farmers, traders and youth working in the field of agriculture through various short term courses, training programmes and workshops. However, training needs were not assessed and no targets were fixed for imparting training. Only 18 training programmes were organized for imparting training to officers/officials of the Board during 2011-16. No training was organized for stake holders i.e. farmers and licensees though funds were available since only ₹14.59 lakh had been expended against budget provision of ₹ 40 lakh during 2011-16.

### **2.1.12 Internal Control**

Internal audit of MCs having income above ₹ 50 lakh was to be conducted twice a year and in respect of other MCs annual audit was to be conducted. Compliance or replies were to be sent within six weeks of the issue of the internal audit reports. It was, however, observed that no internal Audit was conducted in 7<sup>14</sup> MCs during the last five years whereas in 32 MCs internal Audit was conducted only once in five years (**Appendix 2.12**). Further, no follow up action to ensure the compliance of internal audit reports were being made; even initial replies to internal audit observations were not submitted by MCs. It was further observed as follows:

- The Board has enforcement staff i.e. one Chief marketing Officer, three Zonal Marketing Enforcement Officers and District Marketing Enforcement Officers to prevent theft/evasion of market fees. Scrutiny of the records of the Board revealed that periodicity of surprise checking or target of each enforcement staff member was not fixed. Out of 7 selected districts, DMEO Fatehabad and Faridabad conducted only 15 and 11 surprise checks respectively during 2011-16

<sup>14</sup> Pipli, Babain, Siwan, Faridabad, Ballabhgarh, Ding and Bhuna.

while DMEO Kaithal did not conduct even a single surprise check. The details of surprise check are given in *Appendix 2.13*.

- The bitumen purchase vouchers for bituminous work executed by agencies/contractors were to be got verified from concerned refinery regarding their genuineness. Audit observed that in Construction Divisions, Jhajjar and Bhiwani, bitumen vouchers were not verified from concerned refinery to ensure the genuineness of bills although 113 new roads works valuing ₹ 91.10 crore were executed by these divisions during 2011-16.
- Paragraph 16.27.2 of PWD code provides that the Site Order Book shall be maintained properly and kept at the site during the execution of the work under safe custody of the Junior Engineer. Audit observed that Site Order Book was not maintained in five<sup>15</sup> divisions.
- The Divisional Officers were required to obtain independent confirmation about the genuineness of the bank guarantees (BGs) directly from the banks. However, genuineness of BGs obtained from contractors was not verified from banks by five construction divisions<sup>16</sup>.

The department stated (August 2016) that instructions would be issued to comply with the codal provisions and to strengthen the internal control system.

### 2.1.13 Conclusion

The functioning of the Board was impaired by lack of a long term perspective plan for the development works. The financial management of the board was marred by deficiencies such as non-investment of excess funds in fixed deposits resulting in loss of interest of ₹ 6 crore and non-recovery of enhanced land compensation, godown rent and water and sewerage charges amounting to ₹ 126.44 crore. Despite being pointed out in earlier Audit Reports and recommendations of the PAC, there were continuing deficiencies in providing basic facilities in mandis and encroachments on mandi land. Plots were allotted to ineligible licensees resulting in loss of ₹ 1.82 crore while business other than agriculture were being conducted in mandis defeating the purpose of the allotments. There were also sub-standard execution of works and excess payments and non-recoveries from contractors totaling ₹ 1.84 crore. Further, farmers' assistance/research schemes introduced by the Government were not implemented.

<sup>15</sup> Fatehabad, Sirsa, Rohtak, Jind and Karnal.

<sup>16</sup> Fatehabad, Rohtak, Karnal, Faridabad and Sirsa.

#### **2.1.14 Recommendations**

In light of the audit findings, the Government/Board may consider:

- Preparing a long-term perspective plan clearly indicating the annual physical targets under various activities;
- Ensuring that surplus funds are deposited in fixed deposits and enhanced land compensation and dues from plot holders are recovered in a timely manner;
- Ensure implementation of schemes introduced by the Government; and
- Strengthen internal control system of the Board.

The audit findings were referred to the Government in September 2016. Their reply had not been received (December 2016).

## Medical Education and Research Department

### 2.2 Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak

The Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak is a premier medical institute of the State. The main objective of the Institute was to provide quality health services, medical education and research. A performance audit of the functioning of the Institute during the period 2011-16 brought out deficiencies which impaired its ability to achieve its overall objective of providing quality health services and medical education in the State. Some of the more significant findings are summarized below:

#### Highlights

**Master plan and annual plans were not prepared in the absence of which targets were not set and performance could not be assessed.**

*(Paragraph 2.2.6)*

**Delays in procurement and obsolete equipment adversely affected delivery of medical services and academic activities in the Institute.**

*(Paragraph 2.2.8.1)*

**Trauma Centre, Auditorium and Mother and Child Care Hospital constructed at a cost of ₹ 56.59 crore could not be put to use due to non-purchase of medical equipment and furniture.**

*(Paragraph 2.2.8.3 (v))*

**Slow implementation of Pradhan Mantri Swasthya Suraksha Yojana, Centre of Excellence and Pilot Programme for Prevention of Burn Injury delayed accrual of benefits of the schemes to the patients.**

*(Paragraphs 2.2.8.4)*

#### 2.2.1 Introduction

The Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences (Institute), Rohtak, is a premier medical institute of the State. The Institute was started as a Medical College in 1960. The main objective of the Institute is to provide quality health services and medical education. The Institute also includes colleges of Pharmacy and Physiotherapy. During the calendar years 2011 to 2015 (January 2011 to December 2015), 84.01 lakh patients, including 12.61 lakh patients of Accident and Emergency Department, were provided consultation and treatment in Out-patient Departments (OPD) and of these, 5.02 lakh patients were admitted as indoor patients.

The Institute has 200 seats for Bachelor of Medicine and Bachelor of Surgery



(MBBS), 145 for Doctor of Medicine (MD)/ Master of Surgery (MS) courses, 29 for Post-graduate Diploma in Medical Sciences, 60 for Bachelor of Pharmacy, 10 for Master of Pharmacy and 30 for Bachelor of Physiotherapy (BPT). There were 32 departments and 17 super-specialities<sup>17</sup> with facility of 1,710 beds for indoor patients.

### **2.2.2 Organisational set-up**

The Institute is under the administrative control of the Medical Education and Research Department and the Additional Chief Secretary is the administrative head at Government level. Vice-Chancellor of Pandit Bhagwat Dayal Sharma University of Health Sciences (University) is the executive and academic officer and exercises supervision and control over the affairs of the Institute. The Director of the Institute is the administrative head and he is assisted by a Medical Superintendent for hospital and a Dean for academic activities.

### **2.2.3 Audit objectives**

The main audit objectives were to ascertain:

- whether the services were being properly planned;
- the efficiency of management of financial resources;
- the timeliness in provision of medical facilities and infrastructure, implementation of schemes and conduct of academic and research functions;
- the adequacy of staff and their optimal utilization; and
- the efficiency and effectiveness of internal control.

### **2.2.4 Audit scope and methodology**

The performance audit was conducted between December 2015 and May 2016 covering the period 2011-16. The focus of the performance audit was to ascertain the availability of infrastructure, machinery, equipment and other facilities such as blood bank, medicines, fire fighting system, library, etc. in various departments of the Institute. An entry conference was held in March 2016 and exit conference in August 2016 with the Additional Chief Secretary to Government of Haryana, Medical Education and Research Department. The responses received from the Institute and those expressed during the exit conference have been appropriately incorporated in the report.

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<sup>17</sup> 1. Burns and Plastic Surgery 2. Cardiac Surgery 3. Cardiology 4. Clinical Haematology 5. DNA Lab 6. Endocrinology 7. Gastroenterology 8. Medical Oncology 9. Nephrology 10. Neuro-surgery 11. Neurology 12. Paediatrics Surgery 13. Pulmonary and Critical Medicine 14. Rheumatology 15. Surgical Gastroenterology 16. Surgical Oncology 17. Urology.

### 2.2.5 Audit criteria

The audit criteria were drawn from the following sources:

- Pandit Bhagwat Dayal Sharma University of Health Sciences Act and Statutes, 2008;
- Punjab Financial Rules 1940 as applicable to Haryana;
- Indian Medical Council Act, 1956;
- Instructions/guidelines issued by Medical Council of India; and
- Hospital Manual 2002 of Government of India.

### 2.2.6 Planning

#### 2.2.6.1 Non-preparation of hospital manual and master plan

Efficient and timely delivery of services requires proper planning, both long term and short term, so that resources can be marshalled and required infrastructure developed in a systematic manner in tune with evolving needs. Efficiency is also enhanced by adoption of a manual outlining the rules and procedures relating to the functioning of the institute that would enable quick and timely decision making.

The Ministry of Health and Family Welfare (MoH&FW), Government of India (GOI), had prepared (June 2002) a Hospital Manual which envisaged that a hospital should prepare a master plan that should include details of physical structures, buildings, equipment, furniture, manpower and consumables needed. Audit observed that the Institute had neither followed this manual nor prepared its own manual. Further, no master plan or annual plans were being prepared by the Institute nor any annual report showing targets and achievements. In the absence of any defined plan or manual, hospital activities/services were not being provided in a structured manner and internal control was lacking.

The Director of the Institute stated (August 2016) that a committee had been constituted for preparation of a hospital manual. As regards master plan, a proposal for short (3 years), medium (7 years) and long term plan (15 years) had been sent (June 2016) to the Government.

### 2.2.7 Financial management

#### 2.2.7.1 Budget provision and expenditure

The expenditure in the Institute is incurred from grants- in- aid received from the State Government through the University. Receipts of the Institute on account of fee from students, laboratory charges and indoor-patient charges are deposited in the University bank accounts.

Budget provision of grants-in-aid and expenditure during 2011-16 is given in **Table 2.2.1** below.

**Table 2.2.1: Budget provision and expenditure under Plan and Non-plan**

(₹ in crore)

Year	Plan		Non-Plan		Total	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
2011-12	79.51	79.51	140.75	140.75	220.26	220.26
2012-13	81.91	81.91	135.13	135.12	217.04	217.04
2013-14	115.48	109.36	92.70	134.42	208.18	243.78
2014-15	147.75	148.97	127.50	142.74	275.25	291.71
2015-16	161.30	165.60	155.22	151.73	316.52	317.33
<b>Total</b>	<b>585.95</b>	<b>585.35</b>	<b>651.30</b>	<b>704.76</b>	<b>1,237.25</b>	<b>1,290.11</b>

Source: Data supplied by the Institute

Note: Excess expenditure was met from the internal receipts of the University

Out of the total expenditure of ₹ 1,290.11 crore, ₹ 950.07 crore (74 per cent) had been incurred by the Institute towards payment of salary and wages. Expenditure on construction works was ₹ 64.12 crore (five per cent) and on machinery and equipment it was ₹ 51.43 crore (four per cent). Besides, grants of ₹ 22.70 crore under various schemes was received from GOI against which ₹ 14.50 crore were spent during 2011-16.

#### 2.2.7.2 Deficiencies in maintenance of records and suspected embezzlement

Rules 2.7 and 2.4 of the Punjab Financial Rules as applicable to the Institute provide that in case an employee, who is not in-charge of the cash book receives money on behalf of the Government, he is required to remit the same to the employee having a cash book or deposit the amount into the bank on the same day or in the morning of the next day. The Audit Report (Civil) for the year ended 31 March 2009 had brought out an instance of embezzlement of ₹ 2.95 lakh due to non-deposit of receipts.

Scrutiny of records revealed that official collecting receipts of special wards had not deposited the entire receipts during 20 December 2014 to 6 May 2016 with the main cashier. Audit carried out reconciliation (March-May 2016) of receipt of special wards and amount actually deposited with main cashier which revealed that against total receipt of ₹ 100.35 lakh, ₹ 95.45 lakh was deposited (January 2015-May 2016) resulting in short deposit of ₹ 4.90 lakh which amounts to suspected embezzlement. On being pointed out (March-June 2016), the official deposited (March-June 2016) the amount of ₹ 4.91 lakh with the main cashier.

Audit also noted that the Institute was operating 28 savings/current accounts in different banks but bank reconciliation was not being done (March 2016).

Audit observed that continued lack of internal controls in management of cash despite the matter being highlighted in previous Audit Report created an environment that exposed the Institute to risks of embezzlement and loss of funds.

The Director of the Institute stated (August 2016) that the amount had been deposited and the official had also been charge-sheeted. Further, in order to eliminate chances of fraud and embezzlement, new procedure by opening separate bank account for daily deposit of security and hospital charges had been adopted.

The Director added that bank reconciliation in respect of 25 out of 28 accounts had been done.

### **2.2.7.3 Non-adjustment of advances**

An amount of ₹ 8.12 crore<sup>18</sup> comprising letter of credit, advances given to various suppliers/service providers and advances given to staff for carrying out various activities were lying unadjusted for periods ranging from one to six years. Non-adjustment of advances for such long periods was in violation of financial rules and exposes the Institute to risk of mis-utilization.

The Director of the Institute stated (November 2016) that an amount of ₹ six crore had been adjusted and remaining ₹ 2.12 crore would be adjusted by December 2016.

### **2.2.7.4 Loss due to non-charging of revised hostel fees**

On the recommendation of the Fee Structure Committee, the Executive Council approved (September 2013) enhancement of the fee structure of hostel dues from the session 2013-14. Scrutiny of records revealed that hostel dues were not being charged at revised rates from those students who got admission prior to the session 2013-14 thereby causing a financial loss of ₹ 96.87 lakh to the Institute (*Appendix 2.14*).

The department agreed (August 2016) that there could not be two sets of charges from students and that the matter would be looked into.

## **2.2.8 Medical functions**

### **2.2.8.1 Inadequate machinery and equipment**

Adequate machinery and equipment are a pre-requisite for providing medical services and imparting education to students. Scrutiny of records revealed that there was shortage of equipment and laboratories, delays in procurement and obsolete equipment which adversely affected delivery of medical services and academic activities (*Appendix 2.15*). Some of the significant shortcomings observed by Audit were:

- Use of obsolete machinery ranging between 11 and 16 years, shortage of anaesthesia machines, mechanical ventilators, infusion pumps and ICU beds in Cardiac Surgery Department.
- There was substantial and continuous reduction in major procedures due to acute shortage of ICU beds, ECG machines, syringe infusion pumps, defibrillator and ECHO in Cardiology Department.
- Nephrology Department had shortage of hemo-dialysis machines, monitors and dialysis chairs.

<sup>18</sup> 2009-10: ₹ 0.21 crore, 2010-11: ₹ 0.46 crore, 2011-12: ₹ 0.60 crore, 2012-13: ₹ 0.81 crore, 2013-14: ₹3.33 crore and 2014-15: ₹ 2.71 crore.

- Proposal to procure Linear Accelerate (LINAC) to replace obsolete Cobalt-60 teletherapy machine being used in radiotherapy sent in December 2009 by the Radiotherapy Department had yet to materialise despite lapse of nearly seven years.
- In Urology Department, machinery and equipment installed during June 2011 to May 2015 were not in working condition.
- Nd-YAG laser required in treatment of vision threatening problems was not available in Ophthalmology Department.
- In Radio diagnosis Department, there was shortage of CT Scan, Magnetic Resonance Imaging system (MRI), X-Ray units and Ultra Sound machines. Further, Digital Subtraction Angiography System and Picture Archiving Communication System were not available.

The Institute stated (August 2016) that equipment such as ventilators, heart lung machines, ECG machines and monitors and anesthesia machines had been ordered/delivered to the departments and purchase of remaining equipment would be completed by September 2016. It was added (November 2016) that ten vital sign monitors had since been installed in the Anaesthesia Department.

#### **2.2.8.2 Other deficiencies**

##### **(i) Blood Bank**

GOI formulated the National Blood Policy (NBP), 2007 for elimination of transfusion transmitted infection and for provision of safe and adequate blood transfusion services to the people. NBP provided for engagement of Quality Assurance Manager, establishment of separate department of transfusion medicine and developing networking facility but the Institute had not complied with these provisions.

The Institute stated (August 2016) that the matter for sanctioning of the post of Quality Assurance Manager would be taken up with the Government. Further, computerization of the Institute was under process and establishment of the Department of Transfusion Medicines was under consideration of the Institute.

##### **(ii) Pediatrics Department**

Bed occupancy of Pediatrics Department (Unit-I) ranged between 126.13 and 241.90 *per cent* during the calendar years 2011 to 2015. Sharing of beds, especially in respect of newly born babies, was fraught with the risk of infection.

The Institute stated (August 2016) that some beds had been added and the issue would be resolved with the completion of Mother and



**Four new born babies on a bed  
(16 May 2016)**

Child Hospital which was at an advanced stage.

**(iii) Obstetrics and Gynaecology Department**

In Gynaecology Department, the average daily rush of new antenatal cases was 50 to 60 patients against availability of 26 beds in the labour room. The average occupancy of beds in the Department ranged between 105 and 260 *per cent* during 2011-15.

The Institute stated (August-November 2016) that new Mother and Child Hospital would be made operational in December 2016 to overcome the problem.



**Two patient shared single beds  
(14 March 2016)**

**2.2.8.3 Other facilities and services**

**(i) Non-availability of essential drugs**

Free drug purchase policy was launched in January 2009 with the objective of providing free and uninterrupted supply of good quality medicines to all OPD patients/casualty cases and delivery cases in all Government health facilities in the State. Thereafter, the Mukhya Mantri Muft Ilaaj Yojana (MMIY) was launched in January 2014 that prescribed an Essential Drug List (EDL). The policy provided for maintenance of three months buffer stock by procuring drugs over and above the total requirement.

The Institute prepared the list of 639 required drugs during 2011-14 and thereafter adopted the list prepared by MMIY. The drugs purchased/available against requirement is given in **Table 2.2.2** below:

**Table 2.2.2: Details showing number of drugs required, purchased and shortage**

Year	Number of drugs required as per PGIMS/ EDL of MMIY*	Number of drugs purchased/ available in PGIMS	Shortage	Percentage of shortage
2011-12	639 (as per PGIMS requirement)	327	312	49
2012-13	639 (as per PGIMS requirement)	172	467	73
2013-14	639 (as per PGIMS requirement)	407	232	36
2014-15	443 (as per EDL of MMIY)	413	30	7
2015-16	443 (as per EDL of MMIY)	397	46	10

**Source: Records of the Institute**

Thus, seven to 73 *per cent* of drugs were not available during 2011-16. The Institute stated (August 2016) that the shortage of essential drugs was due to delay in purchase process and fund constraints as only ₹ 6 crore was received against sanction of ₹ 12 crore.

**(ii) Lack of quality assurance of medicines**

The Medicine Procurement and Management Policy, 2012, formulated by the Government of Haryana provided that sample from every batch would undergo testing before distribution. It was observed that the Institute had neither quality control cell of its own nor were the medicines being tested before distribution. As



such, quality testing of medicines before acceptance of the consignment was not being conducted.

The Institute stated (August 2016) that an in-house facility for testing of such a large number of drugs, devices and consumables would not be cost effective and would require huge investment as well as manpower. The reply of the Institute is not tenable as testing of drugs is an essential requirement before acceptance of consignment and the Institute has to ensure facilities for testing whether in-house or out-sourced from accredited/approved laboratories.

**(iii) Storage and transportation of bio-medical waste**

As per guidelines of the Central Pollution Control Board for design and construction of bio-medical waste incinerator, there shall be a waste storage area adjacent to the incinerator room. It should be properly ventilated and so designed that waste can be stored in racks and washing can be done easily. The floor and inner walls of the incinerator and storage rooms shall have outer covering of impervious and glaze material so as to avoid retention of moisture after every cleaning. It was noticed that the waste storage room adjacent to the incinerator did not have racks and bags of waste were lying on the floor (*Photograph-I*).

		
Bags of waste lying on the floor (Photograph-I) (04 February.2016)	Auto-clave and shredding room floors and inner walls not covered with the glazed material (Photograph-II) (04 February 2016)	Solid waste and bio-waste lying open near incinerator and water pump (Photograph-III) (04 February 2016)

Waste storage auto-clave and shredding rooms were not properly ventilated and floors and inner walls were not covered with the glazed material (photograph-II). Solid waste and bio-waste was lying in the open near the incinerator and water pump causing health hazards (*photograph-III*). As per analysis report of sample collected by State Pollution Control Board on 28 October 2015, level of odour, Total Suspended Solid, Bio Oxygen Demand, Chemical Oxygen Demand and Oil and Grease was much higher than the permissible limits (*Appendix 2.19*).

As per guidelines on Hospital Waste Management issued in 2002 by MHFW, a Waste Management Committee was required to be constituted for making action plan for hospital waste management and for its supervision and monitoring. However, no such Committee had been constituted by the Institute (October 2016).

The Institute stated (August 2016) that the tenders for the works for improvement of waste storage area had been invited by the PWD, B&R. Regarding quality of effluent, it was stated that the work of installation of Effluent Treatment Plant (ETP) was under process.

**(iv) Inadequate fire fighting mechanism**

The Hospital Manual of GOI provide for constitution of safety committee for fire prevention. High fire risk areas like OT, laboratory, stores, medical records, laundry and kitchen department should have automatic fire and heat activated alarm system. Medium and big size hospitals should have fire hydrant facility with functioning electric pumps. Further, mock drills of fire-fighting should be carried out periodically. Audit observed that neither the Fire Safety Committee had been constituted by the Institute nor had the various fire-fighting systems been put in place.

The Institute stated (November 2016) that a proposal for providing fire safety would be finalised after holding a meeting with fire safety officers.

**(v) Non- utilisation of available infrastructure**

The Institute had spent huge funds on construction of various buildings. Audit observed that the infrastructure built at a cost of ₹ 56.59 crore could not be put to use due to undue delays in completion of residual works as detailed in Table 2.2.3 below:

**Table 2.2.3: Details showing non-utilization of infrastructure**

Details of infrastructure	Expenditure (₹ in crore)	Remarks
<b>Trauma Centre:</b> The work of construction of Trauma Centre was allotted in February 2008. The building had been completed in January, 2013	21.17	The building had not been taken over by the Institute because of non-completion of gas manifold, purchase of furniture, medical equipment and machinery
<b>Auditorium:</b> Approval for a common assembly hall having a capacity of 1000 to 1500 was accorded in 2006-07. The Auditorium was completed in May 2013.	20.39	The auditorium had not been taken over by the Institute as NOC from the Fire Department had not been obtained (May 2016). The case had been lying with the Director, Fire Service since May 2014
<b>Mother and Child Care Hospital:</b> Sanction for the building was accorded in February 2006 for ₹11.48 crore. The building was completed in January 2013.	15.03	The building could not be handed over to the Institute (May 2016) due to pending work of gas manifold pipeline, furniture, medical equipment and machinery
<b>Total</b>	<b>56.59</b>	

**Source: Information compiled from the records of the Institute**

The Institute stated (August 2016) that Trauma Centre, Auditorium Building, Mother and Child Care Hospital were in the process of completion in all respects and would be made operational soon. As regards NOC from Fire Department for Auditorium Building, it was stated that tender process for firefighting system would be completed within one month. However, the works had not yet been completed (November 2016).

**2.2.8.4 Implementation of schemes****(i) Pradhan Mantri Swasthya Suraksha Yojana**

The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced in March 2006 with the prime objective of correcting the imbalances in availability



of affordable healthcare facilities. The estimated outlay of the scheme was ₹ 150 crore per Institute (₹ 125 crore as Central share and ₹ 25 crore State share). Out of this, ₹ 55.30 crore was for civil works, ₹ 79.70 crore for medical equipment and ₹ 15 crore for consultancy and contingency. Rupees 17.75 crore was released to the Institute in December 2011 as Central share for procurement of medical equipment and ₹ 25 crore was released in July 2013 as State share. However, only an expenditure of ₹ 2.63 crore was incurred on machinery and equipment (December 2015). An MOU was entered with HLL Life Care Limited in September 2013 for purchase of medical equipment but the purchases could not be made as the terms and conditions with them were not finalised (May 2016). Thus, delay in finalizing the terms and procedures resulted in equipment not being purchased despite lapse of five years since release of funds to the Institute for the purpose.

The Institute attributed (August 2016) the delay to lengthy purchase procedure and stated that purchase order for machinery of ₹ 18.50 crore had since been placed and purchase of remaining equipment was under process.

**(ii) *Centre of Excellence in Mental Health***

A provision of grants-in-aid of ₹ 30 crore was made by GOI for development of a Centre of Excellence in mental health which was to be operationalised by the end of March 2012. The scheme involved two components i.e. capital works and purchase of technical, non-technical equipment, library books and journals. GOI released ₹ 20.84 crore (₹ 5.28 crore in October 2009 and ₹ 15.56 crore in August 2010) to the Director, State Health Society (SHS), who further released ₹ 15.84 crore to the Institute between December 2010 and August 2013.

Perusal of records revealed that hostel buildings and training block constructed at a cost of ₹ 12.40 crore could not be made functional (May 2016) for want of furniture and fixture, electrical items, installation of lifts and sub-station although ₹ 3.44 crore for purchase/providing of these items were lying unutilized. Also funds of ₹ 5 crore remained with Director, SHS while balance grants of ₹ 9.16 crore under the scheme could also not be availed of from GOI. Thus, the building constructed under Centre of Excellence Scheme remained un-utilized for three years.

The Institute stated (August 2016) that one hostel had been constructed and inaugurated recently.

**(iii) *Pilot Programme for Prevention of Burn Injury***

Pilot Programme for Prevention of Burn Injury was launched (2010) by GOI for establishing full-fledged burn care services, developing trained manpower for management of burn injury care and providing medical rehabilitation services at tertiary level of health care delivery system. GOI provided funds of ₹ 2.67 crore to the Institute between March 2011 and March 2013 for construction of ramp, installation of lifts to have connectivity with wards, laying of gas pipe line and

procurement of equipment to make Intensive Care Unit functional. The Institute utilized ₹ 2 crore up to February 2015 on alteration, renovation of the burn unit and construction of ramp. Audit observed that:

- (a) The ramp was completed but could not be put to use due to faulty design;
- (b) Work of laying of central oxygen and suction gas pipeline to connect to ICU had also not been completed (August 2016);
- (c) An expenditure of ₹ 31.63 lakh was incurred on purchase of equipment and two ventilators. However, ventilators were not installed (August 2016) while lifts had not been provided to link the Department with the ground floor.

Thus, the objective of the scheme of providing burn care services could not be achieved.

The Institute stated (August 2016) that ₹ 2 crore sanctioned for building had already been utilized and requisite inspection by the DGHS office before taking over the building was pending. Proposal for procurement of remaining equipment and recruitment of manpower was under process (August 2016) in the Institute.

### 2.2.9 Academic functions

#### (i) *Post graduate (PG) seats not increased*

To overcome the shortage of doctors, GOI notified Post Graduate Medical Education (Amendment) Regulations, 2012, wherein the teacher student ratio was relaxed from 1:1 to 1:2 and 4 to 5 PG students in each unit per year. Proposals for increase in PG seats from academic year 2013-14 were also sought by GOI.

Audit observed the following:

- (a) Proposal for increase in PG seats in various departments were sent to State Government by the Institute in January 2013. Seats were to be increased in 10<sup>19</sup> departments. Total numbers of seats proposed to be increased were 34 including 15 diploma seats to be converted into degrees. The Government conveyed permission to increase PG seats in September 2013. The case was further sent to GOI in April 2014 and GOI granted permission (February 2015) to five departments to increase seven seats;
- (b) In the remaining five<sup>20</sup> departments, MCI raised objections which were not complied with (August 2016) by the Institute resulting in non-increase in PG seats;

<sup>19</sup> Pathology, ENT, General Surgery, Ophthalmology, Skin, Paediatrics, Psychiatry, Radiotherapy, TB & Respiratory medicine and orthopaedics.

<sup>20</sup> Surgery, Ophthalmology, Pediatrics, Psychiatry, orthopedics.

- (c) 15 diploma seats could not be converted into degree due to non-submission of copy of notification regarding creation of diploma seats to the MCI; and
- (d) In Obstetrics and Gynaecology Department, the case to increase seats from 9 to 17 was sent to State Government in April 2015 after a gap of three years but approval had not been accorded (August 2016).

Thus, 35 out of 42 PG seats (including eight seats of Obstetrics and Gynaecology Department) could not be increased.

The Institute stated (August 2016) that after removing the shortcomings pointed out by MCI, case for increase in PG/MD seats and conversion of Diploma seats in PG seats had been re-submitted for inspection.

**(ii) *College of Pharmacy***

Grants-in-aid of ₹ 16.20 lakh was released in September 2013 for research promotion scheme by the All India Council for Technical Education (AICTE). Under the scheme, Rotary Film Evaporator, Microscope Phase Contrast and Gel Documentation System were to be purchased. Duration of the project was three years. Though more than two years had elapsed since the release of fund by AICTE, no equipment had been purchased (May 2016). In addition, demand for High Performance Liquid Chromatography, Automated Flash Chromatography, High Performance LC-MS, Differential Screening Colorimeter, Compact Mass Spectrometer, Green House Integrated, Pharmacognosy Tissue Culture laboratory and Elemental Analyzer (CHNS-O) was submitted by the Department to the Director of the Institute in 2013 but purchases of these equipment had not been made as of May 2016. These deficiencies affected the academic and research activities of the college.

The Institute stated (August 2016) that purchase of equipment was under process.

**(iii) *Pharmacology Department***

The laboratories required for MBBS teaching were inadequate as there were only two demonstration rooms against the requirement of three. In view of animal experiments being largely replaced by computer simulations, there was a need of 15 computers along with the relevant software which had not been provided (May 2016) despite repeated demand from April 2014 by the Department. The laboratory equipment such as High Performance Liquid Chromatography, Spectro Fluoro Meter, walk in cold rooms to be provided under PMSSY, had also not been purchased since 2009 (May 2016).

The Institute stated (August 2016) that space of laboratory had been increased and procurement of equipment was under process.

## 2.2.10 Medical research

### 2.2.10.1 Quality of research

As per Scopus software<sup>21</sup> total numbers of 3,004 research documents prepared by the Institute were considered for h-index. Out of these, 35 papers of the Institute were cited since its inception in national/international Journals (20 May 2016). This meant that h-index<sup>22</sup> of the Institute was 35. Comparatively, PGIMER, Chandigarh had h-index 93 while AIIMS Delhi had h-index of 42. In 21 departments, h-index ranged between 0 and 16 in April 2016 (*Appendix 2.20*) with average contribution per faculty in terms of cumulative h-index ranging between 3 and 10 in 8 departments and between 0 and 1.86 in 13 departments. Thus, these Departments despite being established in the Institute since long back, conducted limited research work which was not commensurate with the size and experience of the Institute.

### 2.2.10.2 Implementation of research schemes

#### (i) Establishment of Multi-disciplinary Research Unit

The Scheme for Establishment of Multi-disciplinary Research units (MDRUs) was introduced in July 2013 with the objective of bridging the gap in infrastructure which was inhibiting health research in medical colleges. Under the scheme, financial assistance of ₹ 5.25 crore was to be provided by GOI. Out of this, ₹ 1.25 crore was provided (September 2013) towards 1<sup>st</sup> installment to the Institute. Though more than three years had elapsed, the research unit had not been established and the amount was lying unutilized (August 2016). Besides, the Institute could not avail the remaining central assistance of ₹ four crore.

The Institute stated (August 2016) that civil work had been completed and the procurement of equipment was under process.

#### (ii) Viral Research and Diagnostic Laboratory

Funds of ₹ 1.30 crore were received in December 2014 for establishing a network of Viral Research and Diagnostic laboratories (VRDL) for managing epidemics and natural calamities. The scheme included creating infrastructure for timely identification of virus and other agents causing morbidity at public health level and developing capacity for identification of novel and unknown virus providing training to health professional and undertaking research. Though two years had elapsed, VRDL had not been established so far (August 2016).

The Institute stated (August 2016) that renovation of building work and the procurement of equipment was under process.

<sup>21</sup> Scopus is a bibliographic database containing abstracts and citations for academic journal articles.

<sup>22</sup> H-index (Hirsch index) attempts to measure both productivity and citation impact of the publications.

## 2.2.11 Human resource management

### 2.2.11.1 Shortage of staff

The Institute had a sanctioned strength of 4,676 employees in various cadres of medical, para-medical, ministerial and class-IV staff against which 2,692 (58 per cent) were in position as on March 2016. Year-wise sanctioned and actual strength in various cadres for the period of 2011-16 is given in *Appendix 2.21*.

Cadre-wise sanctioned strength and men-in-position at critical level during this period is given in **Table 2.2.4**.

**Table 2.2.4: Details showing position of staff sanctioned(S), filled (F) and vacant (V).**

Name of post	Year														
	2011-12			2012-13			2013-14			2014-15			2015-16		
	S	F	V	S	F	V	S	F	V	S	F	V	S	F	V
Senior Professors	75	60	15	75	61	14	75	62	13	75	63	12	83	60	23
Teachers	289	211	78	289	207	82	289	213	76	288	212	76	290	226	64
Sr. Residents	191	97	94	191	93	98	191	94	97	191	88	103	261	95	166
Demonstrators	62	50	12	62	50	12	62	45	17	62	48	14	74	57	17
Nursing Sister	155	149	06	155	154	01	198	152	46	198	181	17	228	172	56
Staff Nurse	618	548	70	618	581	37	703	588	115	703	652	51	1118	649	472
<b>Total</b>	<b>1,390</b>	<b>1,115</b>	<b>275</b>	<b>1,390</b>	<b>1,146</b>	<b>244</b>	<b>1,518</b>	<b>1,154</b>	<b>364</b>	<b>1,517</b>	<b>1,244</b>	<b>273</b>	<b>2,054</b>	<b>1,259</b>	<b>798</b>
<b>Percentage of vacancy</b>	<b>20</b>			<b>18</b>			<b>24</b>			<b>18</b>			<b>39</b>		

**Source: Information supplied by the Institute**

As evident from the above table, the vacancy percentage ranged between 18 and 39 at critical level posts during 2011-16.

Out of 17 Super speciality departments, five<sup>23</sup> departments were without teaching faculty and hence could not be established as super-specialities. Further, only one faculty each in four<sup>24</sup> super-speciality departments was available with the result that Doctorate of Medicine/Master of Chirurgiae (DM/M.Ch) courses could not be started in these Departments (April 2016) as the PG Medical Education Regulations 2000 stipulates that there should be one Senior Professor and two to three Associate Professors/Assistant Professors in a super-speciality department. As such, benefits of super-speciality could not be provided to patients.

The Institute stated (August 2016) that advertisement for recruitment of staff in various cadres would be published shortly.

### 2.2.11.2 Non-imparting of training to medical/paramedical staff

No targets for imparting training to medical/paramedical staff were fixed by the Institute. Only 13 faculty members were provided training during 2011-16. No paramedical staff was trained by the Institute during the period. In the absence of training, proper skill development of human resources could not be assured.

<sup>23</sup> Clinical Hematology, DNA Lab, Medical Oncology, Rheumatology and Surgical Oncology.

<sup>24</sup> Cardiology, Nephrology, Neurology and Gastroenterology.

The Institute stated (August 2016) that training to medical/paramedical staff was being provided as per approved training programme. The reply was not tenable as only computer training was provided. Technical training to medical and paramedical staff was not provided.

#### **2.2.12 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 in implementation of the schemes, monitoring of construction work, maintenance of accounts/funds etc. As a result, implementation of schemes and works remained incomplete while there was undue delay in purchase of essential medicines, surgical items, equipment and machinery that adversely affected delivery of medical services and academic activities.

#### **2.2.13 Conclusion**

Thus, the Institute lacked any long term planning that could facilitate systematic development of facilities and infrastructure in tune with its growing needs and availability of resources. There were prolonged delays in procurement of necessary equipment and machinery that were critical for providing proper health care to patients as well as shortage of medicines. Infrastructure constructed at a cost of ₹ 56.69 crore could not be utilized due to undue delays in completion of ancillary activities and works. There were delays in utilization of funds received by the Institute for implementation of projects and schemes for creation of infrastructure and research and diagnostic facilities.

#### **2.2.14 Recommendations**

In light of the audit findings, the Government may consider:

- (i) Preparation of master plan and fixation of targets to be achieved in a time bound manner along with a hospital manual;
- (ii) Streamlining procedures to expedite procurement of equipment, machinery and commissioning and repairing of buildings;
- (iii) Evolving a formal mechanism for testing of medicines and storage/disposal of bio-medical waste; and
- (iv) Expediting the filling up of the vacant posts in various departments.

The audit findings were communicated to the Government in September 2016. Its reply has not been received (December 2016).

## School Education Department

### 2.3 Right of Children to Free and Compulsory Education Act, 2009

The Right of Children to Free and Compulsory Education (RTE) Act was passed in 2009 and was made applicable from April 2010. The Act provides that every child has a right to full time elementary education of satisfactory and equitable quality. A performance audit of the implementation of the Act during the period 2010-16 brought out deficiencies that undermined the achievement of the objectives of the Act. Some of the significant audit findings included the following:

#### Highlights

**House hold survey was not conducted for identification of children of the age group of 6 to 14 years in test-checked schools. Hence, the calculation of number of children that had to be covered was based only on estimation.**

*(Paragraph 2.3.6.1)*

**There were deficiencies in providing basic facilities such as rooms, drinking water, kitchen sheds, toilets, desks, library and play ground in test-checked schools.**

*(Paragraph 2.3.8.2)*

**There was delay in providing text books, uniform, stationery and bags to students.**

*(Paragraph 2.3.8.4(i))*

**In contravention of the Act, 514 to 821 unrecognized schools were functioning in the State during 2011-16.**

*(Paragraph 2.3.8.7)*

#### 2.3.1 Introduction

The Constitution (86<sup>th</sup> Amendment) Act, 2002, inserted Article 21A in the Constitution of India to provide for free and compulsory education for all children in the age group of 6 to 14 years in such a manner as the State may, by law, determine. The Sarva Shiksha Abhiyan (SSA) was initially chosen as the principal vehicle for implementation of the Act. Thereafter, the Right of Children to Free and Compulsory Education (RTE) Act, 2009, was passed and made applicable w.e.f. April 2010. The State notified rules in June 2011 to implement the provisions of the RTE. The RTE provides that every child has a right to elementary education of satisfactory and equitable quality in formal school which satisfies certain essential norms and standards.

### 2.3.2 Organisational set-up

The implementation of the RTE was managed and controlled by the Additional Chief Secretary (ACS), School Education Department at Government level. The Director, Elementary Education (DEE) was the head of the Department. The State Project Director, Haryana School Shiksha Pariyojna Parishad (the Parishad) is the nodal agency for implementation of the programme. The District Elementary Education Officers (DEEOs), District Project Coordinators (DPCs), Block Elementary Education Officers (BEEOs), Block Resource Coordinators (BRCs) and School Management Committees (SMCs) were responsible for implementation of the RTE in the State.

### 2.3.3 Audit objectives

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

- process of planning was adequate;
- the funds allocated were being utilized in an economic and efficient manner;
- the Act achieved its objective of making elementary education as fundamental right for all children between age group of 6-14 years ; and
- an effective monitoring and internal control system was in place.

### 2.3.4 Audit approach, scope and methodology

An entry conference was held with the ACS, Government of Haryana, School Education Department in April 2016 wherein various issues relating to implementation of the Act, audit objectives and audit criteria were discussed. Records for the period 2010-16 relating to enrollment of students, facilities provided in schools, infrastructure available in schools and deployment of teachers were test checked in 90 schools of 12 blocks of three out of 21 districts during April-July 2016. These three districts were selected by applying Probability Proportional to Size Without Replacement method while blocks and schools were selected by using Simple Random Sampling Without Replacement method. Besides, physical verification of newly constructed classrooms of nine schools of Kaithal and Panipat districts was conducted. The audit findings were discussed in the exit conference held in September 2016 with the ACS, School Education Department. The replies of the Department and deliberations of the exit conference have been suitably incorporated in the report.

### 2.3.5 Audit criteria

Audit criteria were derived from the following sources:

- Right of Children to Free and Compulsory Education Act 2009 and rules made thereunder in 2010;
- Haryana Right of Children to Free and Compulsory Education Rules 2011;



- Various orders, notifications, circulars, instructions issued by the Union Ministry of Human Resource Development/State Government; and
- District Information System for Education.

## Audit findings

### 2.3.6 Planning

#### 2.3.6.1 Non-identification of target groups

Section 9(d) of RTE Act 2009 read with Rule 10 of RTE Rules 2010 provides that every local authority<sup>25</sup> shall maintain records of children of the age group of 6 to 14 years residing within its jurisdiction on the basis of house hold survey indicating *inter alia* the name, sex, date of birth and place of birth of the child, his/her guardian, and the level of education received by the child. Further, Rule 6 provides for updating the data every year.

Audit noticed that no house hold survey had been conducted in the areas of test-checked schools and thus identification of children of target groups could not be done.

The department stated (September 2016) that though survey for identification of target groups was not conducted, the children of target groups were identified from the data of *anganwadis* and private schools and total number of children was calculated on the basis of expected growth and that gross enrollment was quite satisfactory. The reply was not convincing as calculation of number of children was based on estimation and it could be definitive only through a household survey as envisaged under the Act/Rules.

#### 2.3.6.2 School Development Plan

Section 22 of the Act provides that School Management Committees (SMC) shall prepare a School Development Plan which should be the basis for release of grants-in-aid by the Government. Further, Rule 15 of State Rules 2011 provides that SMC shall prepare plan at least three months before the end of the financial year.

It was, however, observed that School Development Plans were not prepared in any of the schools test checked during 2010-16.

The District Annual Work Plans and Budgets (AWP&B) were required to be framed by respective District Project Coordinators by incorporating the School Development Plans and data collected at school/ village level. It was, however, observed that district plans in test- check districts were framed by projecting the data yearly on the basis of Census of 2001 and 2011 and a consolidation of these was made into the State Plan. As such, District and State Plans were not based on actual data.

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<sup>25</sup> Includes SMCs, Block Education Officers, BEEOs, DEEOs, Additional Deputy Commissioners and Deputy Commissioners.

The department stated (September 2016) that proper mapping would be done in respect of every school and the School Development Plan would be framed and uploaded on the website of the Department showing the numbers of teachers and facilities available and requirement of teachers/facilities keeping in view the enrollment of children.

Thus, the planning for implementation for the Act was deficient as identification of target groups was not done and school development plans were not prepared.

### 2.3.7 Financial management

#### 2.3.7.1 Budget provision, release of funds and expenditure

The fund sharing ratio between the GOI and State Government was 65:35 from the year 2010-11 to 2014-15 which was revised to 60:40 from 2015-16. The budget allocations, release by GOI and State Government and expenditure incurred there against was as given in **Table 2.3.1** below.

**Table 2.3.1: Budget allocation and release of funds**

Year	Budget Estimate (BE)	Opening balance	Funds released		Release by XIII Finance Commission	Total released	Other receipt including interest	Total funds available	Total Expenditure
			GOI	State Government					
2010-11	829.80	308.54	327.86	275.50	40.00	643.36	8.18	960.08	589.57
2011-12	1,197.67	370.51	404.61	230.00	43.00	677.61	26.10	1,074.22	621.05
2012-13	1,256.24	453.17	338.10	258.06	46.00	642.16	25.58	1,120.91	554.04
2013-14	742.77	566.87	350.88	188.94	49.00	588.82	11.25	1,166.94	852.52
2014-15	941.25	314.42	421.11	226.75	51.00	698.86	11.79	1,025.07	714.79
2015-16	1,120.58	310.28	268.16	178.78	NIL	446.94	10.66	767.88	553.22
<b>Total</b>	<b>6,088.31</b>		<b>2,110.72</b>	<b>1,358.03</b>	<b>229.00</b>	<b>3,697.75</b>	<b>93.56</b>		<b>3,885.19</b>

**Source: Information supplied by the Parishad**

Against the budget estimate of ₹ 6,088.31 crore, GOI and State Government released only ₹ 3,468.75 crore (57 per cent) during 2010-16. Further, as against the availability of funds of ₹ 4,099.85 crore<sup>26</sup>, ₹ 3,885.19 crore were spent leaving unspent funds of ₹ 214.66 crore. Funds remained unspent with the Parishad due mainly to release of funds by the State Government at the fag end of the years.

Apart from above, Elementary Education Department (EED) incurred an expenditure of ₹ 170.61 crore from the State Budget for providing text books and uniform to students during 2010-16.

#### 2.3.7.2 Delay in release of funds

Central Grant was released directly to the Parishad during 2009-14. From 2014-15 onwards, grant was being released through the State Government. Analysis of data relating to funds released by GOI and State Government for the period 2010-16 revealed that there was substantial delay in release of funds by GOI ranging between 27 and 307 days and State Government ranging between 59 and 237 days

<sup>26</sup> Opening Balance ₹ 308.54 crore, Fund released ₹ 3,697.75 crore, other receipt including interest ₹ 93.56 crore.

as detailed in *Appendix 2.22*. Delay in release of funds hampered the implementation of the Act and providing facilities to students.

The department stated (September 2016) that short/delayed release of funds had not affected the activities of the Parishad which always had sufficient funds.

### 2.3.8 Implementation of the Act

#### 2.3.8.1 Enrollment of the children

The data showing the number of children who attained the age of enrollment, children enrolled, children not enrolled and percentage of children not enrolled in the State (Government and private schools) is given in **Table 2.3.2** below:

**Table 2.3.2: Details showing non-enrollment of children**

Year	Number of children attained the age(6-14) of enrollment		Number. of children enrolled		Number of children not enrolled (percentage)	
	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools
2010-11	25,79,480	15,00,463	25,53,050	14,76,632	26,430 (1.02)	23,831(1.58)
2011-12	23,69,012	14,73,606	24,43,613	12,80,868	-	1,92,738(13.08)
2012-13	24,38,700	14,78,012	25,45,537	13,78,800	-	99,212(6.71)
2013-14	24,68,567	15,56,506	25,13,863	14,42,860	-	1,13,646 (7.30)
2014-15	24,68,564	15,56,508	24,93,578	14,60,388	-	96,120(6.17)
2015-16	24,45,461	14,80,555	23,36,650	13,94,294	1,08,811 (4.44)	86,261(5.82)

**Source: Information supplied by the Parishad**

As is evident from the above table, the percentage of children not enrolled in primary schools increased from 1.02 in 2010-11 to 4.44 in 2015-16 while in upper primary schools this percentage ranged between 1.58 and 13.08 during 2010-16. Similar was the position in test-check districts (*Appendix 2.23*).

The Director Elementary Education/Parishad had not maintained the data of dropout and attendance of children for follow up and to ensure that they were provided proper elementary education. It was further observed in 90 test-checked schools that attendance in seven to 16 schools was up to 75 per cent during 2010-16 as given in **Table 2.3.3** below.

**Table 2.3.3: Details showing attendance of children up to 75 per cent**

Number of schools (percentage of attendance)

District/year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Kaithal	*	1 (69)	1 (75)	1 (65)	1(61)	*
Panipat	6 (61 to 73)	8 (61 to 73)	5 ( 60 to 73)	6 (61 to 73)	8( 59 to 75)	5 (60 to 73)
Fatehabad	1 (65)	3 (69 to 73)	7 (65 to 75)	5( 66 to 73)	7(66 to 75)	3 (65 to 74)
<b>Total</b>	<b>7</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>16</b>	<b>8</b>

\*The attendance of children was more than 75 per cent in all test checked schools.

**Source: Information compiled from data supplied by test-checked schools.**

The department stated (September 2016) that the data of children attaining the age of enrollment was normative only and Gross Enrollment Ratio (GER) was 100 per cent in many years. It was added that the Department's focus was only enrollment of out of school children. Shortfall in attendance of children was due to local reasons such as work in agriculture fields during season and migration to other States.

Audit observed that the increase in children not enrolled merited attention. Further, the department needed to collect data and follow up on drop outs in order to achieve the overall objective of universalization of elementary education.

### 2.3.8.2 Availability of basic infrastructure in schools

The availability of basic infrastructure in primary and upper primary schools with reference to norms and standards prescribed for schools in the Schedule appended to Sections 19 and 25 of the Act was as given in **Table 2.3.4** below:

**Table 2.3.4: Status of availability of basic infrastructure (in percentage of schools) of Government and others schools in the State**

Prescribed provisions	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
At least one class room for every teacher (Education Department)	NA	NA	79.14	81.50	82.01	82.51
An office-cum-Head teacher's room (Education Department)	NA	NA	57.63	57.28	59.15	56.55
Barrier free excess (all management schools)	56.86	60.84	86.35	87.43	90.14	96.59
Separate toilets for boys (all management schools)	68.24	92.65	86.6	98.93	98.71	93.34
Separate toilets for girls (all management schools)	86.03	93.59	97.64	96.81	96.38	96.07
Safe and adequate drinking water facility to all children (all management schools)	99.00	99.55	99.74	99.88	99.77	99.90
A kitchen where mid day meal is cooked in the school	16.65	18.18	45.17	66.11	71.59	68.18
Play ground (all management schools)	76.08	76.62	76.75	81.33	83.39	84.32
Arrangements for securing the school building wall and fencing	95.62	95.94	95.78	96.35	98.18	98.52

**Source: Information supplied by the Parishad**

**NA: Not available**




As evident from the above table, the shortfall in case of Office-cum-Head teachers' rooms ranged between 41 and 43 *per cent* during 2012-16 and in respect of kitchen sheds the shortfall was between 28 and 83 *per cent* during 2010-16.

Deficiencies noticed in basic infrastructure in 90 selected schools were as under:

- (i) Additional rooms were required to be provided in 20 schools;
- (ii) Safe drinking water with reverse osmosis facility was not available in 71 schools;
- (iii) Kitchen sheds were not available in 31 schools;
- (iv) Ramps were not provided in 17 schools;
- (v) Toilets for Children with special needs were not available in 21 schools and toilets were in damaged condition in three schools;
- (vi) Boundary walls were in damaged condition in 16 schools whereas boundary walls were not upto required height of 6 feet in 28 schools;
- (vii) Incomplete structures were found in four<sup>27</sup> schools;

<sup>27</sup>

(i) GGHS Pundri (ii) GSSS, Alupur nain (iii) GSSS Sanghan and (iv) GSSS Bhandari.

		
Broken boundary wall of GPS Kaithli Gate, Pundri (2 May 2016)	Incomplete structure of GGHS Pundri (2 May 2016)	Incomplete structure of GSSS Sanghan, Kaithal (4 May 2016)

- (viii) Desks were not available in six<sup>28</sup> schools. Further, there was shortage of desks in 23 schools;
- (ix) There was no electricity connection in GSSS Bhandari. In GGPS Dadhola, electricity was found to be disconnected on 26 June 2016 due to non-payment of electricity dues;
- (x) Library was not available in 50 schools; and
- (xi) Play grounds were not available in 44 schools.

Thus, the schools lacked necessary basic infrastructure though there were unspent funds of ₹ 214.66 crore as brought out in para 2.3.7.1 above.

The department stated (September 2016) that providing basic infrastructure in schools would be monitored properly and arrangement for providing electric connections in remaining schools would be made on priority.

### 2.3.8.3 Creation and availability of basic infrastructure

All civil works are executed through SMCs. The funds are released to SMCs by the Parishad from time to time. Target of construction of 31,305 civil works for an outlay of ₹ 733.84 crore was fixed during 2010-16. Against this, 27,067 civil works were completed at a cost of ₹ 657.65 crore as per details given in **Table 2.3.5** below:

**Table 2.3.5: Targets and achievements of civil works**

Year	Physical Targets	Achievements	Shortfall
2010-11	8,733	7,963	770
2011-12	12,176	11,286	890
2012-13	10,236	7,663	2,573
2013-14	11	11	0
2014-15	36	36	0
2015-16	113	108	5
<b>Total</b>	<b>31,305</b>	<b>27,067</b>	<b>4,238</b>

Source: Information compiled from data supplied by the Parishad

The shortfall in achievement of targets was due to non-availability of land, dispute with Panchayats, standing trees at sites and encroachment of land.

<sup>28</sup> (i) GPS (HB) Tohana (ii) GHS Nathuwalla (iii) GMS Jakhal Gaon for classes 6 to 8 (iv) GSSS Kaul (v) GHS Khanoda for classes 6 to 8 and (vi) GSSS Kawi.

In selected districts, a target of 4,736 civil works for an outlay of ₹ 108.46 crore was fixed against which 4,459 civil works were completed during 2010-16 after incurring an expenditure of ₹ 92.56 crore. Audit observed that 81 works were in progress and 196 works were not even started. In regard to 81 incomplete works, it was stated by District Project Coordinators that 76 works could not be completed due to shortage of funds, in four cases money was withdrawn by teachers but was not spent and in one case construction work was held up due to dispute of land.

Audit further observed that out of 196 works which were not started, 139 works relating to construction of rooms, ramps and toilets were not required to be executed as there were already sufficient rooms and toilets in the schools. Further, ramps were not required to be constructed as ground and plinth level of the schools was at the same level. Apart from this, out of remaining 57 works, space was not available in 10 cases, funds were not available in eight cases and there was land dispute in seven cases while no specific reasons were on records for not starting the works in 32 cases. Thus, the works were sanctioned without ascertaining the requirement, availability of land and resolving of land dispute. The shortfall in availability of infrastructure could have been minimised had the construction activities been carried out in a planned manner.

Physical verification along with staff of the Department of new classrooms in nine schools (three primary schools in Kaithal district and six upper primary schools in Panipat district) revealed the following:

(i) Three<sup>29</sup> primary school buildings shown as completed by DPC Kaithal in the progress reports were not actually completed (May 2016) as electrification, white/colour wash and painting work was left out. An expenditure of ₹ 28.54 lakh was incurred on execution of these works during 2011-16.

(ii) In two schools in Panipat district (one at Garhi Bhallore and other at Mohali), 15 new class rooms were constructed without any requirement as sufficient number of rooms were already available in the schools. At the school at Garhi Bhallore, six new rooms were constructed although nine rooms were already there against the enrollment of 238 students (one room is required for 30 students). Similarly, in the school located at village Mohali, nine new rooms were constructed although eight rooms were already there against the enrollment of 204 students. This resulted in infructuous expenditure of ₹ 40.34 lakh.

(iii) In one school of village Rishpur, toilets and urinals were not constructed properly. Walls of toilets were broken as shown in photographs. Further, the main gate was also not installed.

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<sup>29</sup>

GGPS Kharka: February 2016, GGPS Pai: February 2016 and GPS Keorak: October 2013.



**Broken walls of toilets of school located at village Rishpur ( 14 July 2016)**

(iv) In two schools (Tajpur and Garhi Bhallore) plinth level was very low due to which storm water may accumulate in the schools. An expenditure of ₹ 20.52 lakh was incurred on the school building located at Tajpur.

(v) In three schools (Tajpur, Garhi Bhallore and Rishpur) height of boundary walls was four feet against the requirement of six feet. In village Jalpar, water tank was not in use due to non-availability of water connection and ramp was not constructed. There was no boundary wall in eastern and southern side of the school.

The department stated (September 2016) that proper mapping would be done in respect of every school and plans would be framed on the basis of actual requirement of facilities.

#### **2.3.8.4 Facilities provided to children**

Section 3 (2) of the Act provides that no child shall be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing the elementary education. The State Government provides free text books, uniform and writing material. The irregularities noticed in providing these facilities are enumerated below.

##### **(i) Delay in providing facilities**

Text books, uniform, stationery items including school bags are expected to be supplied at the beginning of the academic session i.e. in April each year. In Panipat and Kaithal districts, text books and stationery items were distributed very late in the middle or close of the academic session in different years as given in **Table 2.3.6** below:

**Table 2.3.6: Delay in providing text-books, uniform, stationery and school bags**

##### **Text books:**

Sr. No.	Year	Months of distribution	Delay in months
<b>Kaithal District</b>			
1	2013-14	August 2013	4
<b>Panipat</b>			
1	2011-12	Upto September 2011	5
2	2012-13	Upto September 2012	5
3	2013-14	Upto December 2013	8

##### **Stationery and bags:**

Sr. No.	Year	Months of distribution	Delay in months
<b>Kaithal District</b>			
1	2013-14	Budget lapsed	Not distributed
2	2014-15	November 2014	7
3	2015-16	August 2015	4



Similarly, distribution of uniform was also delayed for periods ranging between three and 11 months in the State during 2010-15. Delay in supply of these items impacts studies of children adversely.

The department stated (September 2016) that delay in providing text books to the children was due to dispute with the publishers whereas books were provided in time to the children during the last two years.

**(ii) Double benefit of uniform provided to SC students**

A 'Cash Award Scheme for SC Students' was introduced in 2008-09 under which a one time cash amount ranging between ₹ 740 to ₹ 1,250 was to be given to all scheduled caste boys and girls of class 1 to 8 for purchase of school bags, uniform, and stationery articles. Further, school uniform was also provided to all students (General, OBC, SC, BPL) by the State Government under SSA/RTE Act. The unit cost for the supply of uniform was fixed at ₹ 400. Thus, the facility of uniform was being available from two schemes to SC students.

It was stated (November 2016) by two<sup>30</sup> test checked schools that benefit was provided to SC students under both these schemes. The Department had not taken appropriate action for convergence of these two schemes in order to judiciously utilize the scheme funds on other essential activities.

The department admitted (September 2016) the facts but stated that the amount of uniform grant was very less.

**2.3.8.5 Shortage of teachers**

As per item 1 of the schedule appended to Section 19 of the Act, two teachers for admitted children up to 60 in primary classes and at least one teacher for every 35 children in upper primary classes was required subject to the condition that there should be at least one teacher per class so that there shall be at least one teacher each for Science and Mathematics, Social Studies and Languages.

There was vacancy of teachers ranging between 2,027 and 15,236 in primary classes during 2011-16 as shown in **Table 2.3.7** below:

**Table 2.3.7: Details showing vacancy of primary teachers**

Year	Children enrolled	Teachers required	Teachers posted	Vacant (percentage)
2010-11	Not available	Not available	Not available	Not available
2011-12	13,66,337	47,844	32,608	15,236 (32)
2012-13	13,43,995	46,727	32,578	14,149 (30)
2013-14	12,72,491	44,488	36,389	8,099 (18)
2014-15	12,00,871	43,255	34,753	8,502 (20)
2015-16	9,78,417	36,462	34,435	2,027 (6)

Source: Information supplied by the Parishad

In primary classes, the number of single teacher schools continuously increased from 352 to 788 during 2012-16 while average enrolment per school ranged

<sup>30</sup> GPS Sirsal and GSSS Kaithal.



between 28 and 59 during this period. In upper primary classes, the number of single teacher school ranged from 215 to 289 and average enrolment per school ranged between 74 and 110 as given in **Table 2.3.8** below:

**Table 2.3.8: Details showing single teacher schools in the State**

Year	Primary			Upper primary		
	No. of schools	Enrolment	Average enrolment per school	No. of schools	Enrolment	Average enrolment per school
2010-11	Not available	Not available	Not available	Not available	Not available	Not available
2011-12	Not available	Not available	Not available	Not available	Not available	Not available
2012-13	352	20,810	59	215	15,907	74
2013-14	569	19,890	35	289	29,108	101
2014-15	661	21,804	33	222	24,493	110
2015-16	788	22,065	28	269	20,990	78

**Source: Information supplied by the Parishad**

Thus, there was only one teacher in the schools as detailed above against the requirement of at least two teachers in primary schools and three teachers in upper primary schools. Shortage of teachers and non-maintenance of Student-Teacher ratio will adversely affect the quality of education being provided to the students.

The department stated (September 2016) that a policy for rationalization of teachers has been framed and rationalization of teachers was under process.

#### **2.3.8.6 Training to teachers and assignment of non-teaching duties**

Providing in-service training to teachers deployed in schools is an important component for achieving the goal of providing free and compulsory education to the target group. Audit observed that the percentage of teachers provided training in Government schools was very low and ranged between 0.95 and 31.27 during 2010-16. The expenditure on teachers' training during 2010-15 was only ₹ 26.44 crore against budget allocation of ₹ 69.47 crore.

The department assured (September 2016) that training to teachers would be provided as per norms.

#### **2.3.8.7 Unrecognised schools**

Section 18 of the Act read with Rule 15 of RTE Rules 2010 provides that no school, other than a school established, owned or controlled by the appropriate Government or local authority, shall, after the commencement of this Act, be established or function, without obtaining a certificate of recognition from the prescribed authority. Any person who establishes or run a school without obtaining certificate of recognition or continues to run a school after withdrawal of recognition shall be liable to fine which may extend to ₹ 1 lakh and in case of continuing contraventions, to a fine of ₹10,000 for each day during which such contravention continues.

It was, however, noticed that unrecognized schools ranging between 514 and 821 were functioning in the State during 2011-16 in contravention of the aforesaid provisions of the Act. Provisional recognition was given to schools ranging between 10 and 274 during 2011-16. No penal action as stated above and

provided in the RTE Rules 2010 was taken by the Department against the management of unrecognized schools.

The department assured (September 2016) that matter would be got examined.

#### ***2.3.8.8 Arrangement of pre-primary education not made***

Section 11 of Act stipulates that children above the age of three years may be prepared for elementary education and early childhood care and education for all the children until they complete the age of six years would be provided by the Government and necessary arrangement would be made for providing free pre-school education for such children. It was, however, noticed (April-July 2016) in test checked schools that no arrangement was made to provide pre-primary education to the children above three years.

#### ***2.3.8.9 Students requiring special training not identified***

Rule 3 of State Rules 2011 provides that the School Management Committee of a school owned and managed by the Government shall identify children requiring special training based on specially designed learning material, appropriate to the age. It shall be provided by teachers working in the school and to be held in the premises of the school. The duration of the training should be for a minimum period of three months. It was however, noticed (April-July 2016) that neither children requiring special training were identified nor any special training provided in test- checked schools.

#### ***2.3.8.10 Non-issuance of certificate of completion of elementary education***

Rule 22 of State Rules 2011 provides that certificate of completion of elementary education shall be issued by the Head Teacher or Headmaster and countersigned by DEEO within one month of the completion of elementary education. Audit observed (April-July 2016) that certificate of completion of elementary education was not being issued to children by test check schools.

### **2.3.9 Management, monitoring and evaluation**

It was observed that internal audit system was not in place in the DEE and the Parishad. Further, the monitoring of the implementation of the Act was not adequate as the Department had no data about drop out of children and actual attendance of children in schools. A provision of ₹ 5.30 crore was made in 2011-12 for third party assessment but the assessment from the third party had not been done (November 2016).

### **2.3.10 Conclusion**

The RTE Act was passed to provide every child full time elementary education of satisfactory and equitable quality. However, the implementation of the Act was deficient in fulfilling the right of children enshrined in the Act. Identification of target group of children through household survey was not done. Planning process

at State and district level was erratic as requirement of different schools could not be factored in as School Development Plans were not prepared by School Management Committees. There was substantial delay in release of funds by the State Government which hampered the implementation of the Act. There were deficiencies in providing basic facilities such as rooms, water, kitchen shed, toilets, desks, library and play ground and delay in providing text books, uniform, stationery and bags to students. As against the requirement of at least two teachers in primary schools and three teachers in upper primary schools, 788 primary and 269 upper primary schools were running with single teachers.

### **2.3.11 Recommendations**

In light of the audit findings, the Government may consider:

- Conducting proper household survey of target group of children and preparation of School Development Plans;
- Providing basic facilities such as rooms, water, kitchen shed, toilets, desks, library and play grounds in schools in a time bound manner;
- Ensuring timely supply of text books, uniform and learning material to all the students; and
- Pursuing the unrecognized schools for obtaining recognition from the Department or taking penal action as per provisions in the Act.

These findings were referred to the Government in September 2016; their reply has not been received (December 2016).

**Chapter-3**  
**Compliance Audit**

## CHAPTER 3

### COMPLIANCE AUDIT

#### Environment Department (Haryana State Pollution Control Board)

### 3.1 *Environment Clearance and Post Clearance Monitoring*

**There were instances of projects operating without the mandatory Consent to Establish and Consent to Operate from the Board, project authorities not complying with the conditions which include conducting tests of ambient air, ambient noise and ground water and lack of monitoring and enforcement of environmental stipulations that undermined the objective of environmental controls.**

#### 3.1.1 *Introduction*

The objective of Environment Impact Assessment is to foresee and address potential environment problems and concerns at the stage of project planning and design. In January 1994, the Ministry of Environment, Forest and Climate Change (MoEF&CC) made Environmental Clearance (EC) mandatory for certain development projects. Further, through Environment Impact Notification (September 2006), MOEF&CC made EC mandatory for eight sectors<sup>1</sup> comprising 39 different activities falling under category 'A' and 'B'. The Union Ministry and the State Level Environment Impact Assessment Authority (SEIAA) issue ECs for category 'A' and 'B' projects.

The Haryana State Pollution Control Board (HSPCB) is a statutory authority entrusted with the duty of implementing environmental laws and rules within the jurisdiction of the State of Haryana. Further, technical EIA guidance Manual of MoEF&CC for different projects provides that State Pollution Control Boards shall incorporate EIA clearance conditions into consent conditions in respect of Category A and B projects and in parallel shall monitor and enforce the same.

An audit was conducted of the functioning of the HSPCB and the implementation of the statutory provisions relating to control of environmental pollution. A total of 26 out of 1,009 projects (17 out of 773 category A projects and 9 out of 236 category B projects) which were granted EC by MoEF&CC/ SEIAA during 2008-12 were selected for test-check by Random Sampling method. Audit also physically checked sites of 26 projects during November 2015 to August 2016 along with the officers/officials of the HSPCB to verify the compliance of the conditions of EC<sup>2</sup> and commitments made in the EIA report.

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<sup>1</sup> (i) Mining extraction of natural resources and power generation; (ii) Primary Processing; (iii) Material production; (iv) Material processing; (v) Manufacturing/Fabrication (vi) Service Sectors; (vii) Physical Infrastructure; and (viii) Building/Construction projects.

<sup>2</sup> Prior Environment clearance is required to be obtained by certain project proponents in compliance to Environment Impact Assessment Notification, January 1994 of GOI.

### **3.1.2 Operations without Consent to Establish and Consent to Operate**

Consent to Establish (CTE) and Consent to Operate (CTO) are required to be obtained from the State Pollution Control Board under Section 25 of the Water (Prevention and Control of Pollution) Act 1974 and Section 21 of the Air (Prevention and control of Pollution) Act 1981.

Scrutiny of records of Regional Offices of HSPCB/Project Authorities (PAs) and physical verification of 26 selected projects revealed that six projects were operating without obtaining prior valid CTE/CTO from the HSPCB. Further scrutiny of the records of Regional Office of HSPCB, Bahadurgarh revealed that out of these six projects, a lead processing project at Rohtak had been sealed by HSPCB in January 2008. However, during physical verification in January 2016, it was noticed that the project was operating without CTE/CTO after breaking the seal. On being pointed out by audit, Regional Office Bahadurgarh issued (January 2016) a show cause notice for prosecution.

Similarly, a project in Jind was ordered to be closed down by HSPCB in January 2009 due to non-obtaining of valid CTE/CTO. However, during physical verification in August 2016, it was noticed that the project was operating in another name without obtaining CTO/CTE.

The HSPCB had neither conducted any survey nor evolved any monitoring mechanism to ensure that PAs were not operating without obtaining CTE/CTO/EC.

The HSPCB stated (November 2016) that show cause notices/ action for prosecution had been initiated against five defaulting projects.

### **3.1.3 Lack of verification of EC compliance**

As per paragraph 2 of EIA Notification, 2006, prior environment clearances are mandatory for certain projects as specified in the schedule to the notification. Further, technical EIA Guidance Manual of MoEF&CC for different projects provides that State Pollution Control Boards shall incorporate EIA clearance conditions into consent conditions in respect of Category A and B projects and in parallel shall monitor and enforce the same.

Scrutiny of records showed that there was no formal institutionalized system in HSPCB to periodically oversee the compliance of EC conditions in a time bound manner.

The Department stated (October 2016) that proposal for establishing a monitoring mechanism was under process.

### **3.1.4 Non-compliance of conditions of EC/EIA conditions**

#### **(a) Non-compliance of conditions of pollution control**

As per paragraph 2 of EIA notification dated 14 September 2006, prior environment clearance (EC) is mandatory for certain projects. While conveying

EC, certain stipulations were made in ECs and EIAs to control pollution and adverse impact of projects on the environment. Scrutiny of records and physical verification of sites revealed that these conditions were not being fulfilled by the project authorities as given in **Table 3.1** below.

**Table 3.1 Details showing non-compliance of conditions of pollution control**

Sr. No.	Conditions of EC/EIA mentioned in individual projects	Audit observations
<b>(i)</b>	<b>Violation in handling hazardous waste material</b>	
	Project Authorities were required to obtain authorisation for collection, storage and disposal of hazardous waste under Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.	Ten projects were generating hazardous waste from DG sets. However, the PAs had not obtained authorisation for disposal of hazardous waste from HSPCB, in the absence of which Audit could not ensure whether hazardous waste was disposed off in proper manner to prevent environment pollution.
<b>(ii)</b>	<b>Shortfall in development of green belts</b>	
	Green belts of adequate width and density were to be developed around the project/plant periphery covering the area ranging between 15 and 33 <i>per cent</i> of the project area, preferably with local species.	Six projects had not developed green belts in the project areas though the areas were identified. While another project though had developed a green belt, the same was not developed (August 2016) around the ash pond as per commitment made in the EIA report. As such, pollution could not be prevented due to absence of green belts.
<b>(iii)</b>	<b>Non-installation of ETPs/STPs</b>	
	ETPs/STPs/Septic tank/ Soak pits were required to be provided for treatment of sewage/effluent in the project areas. Out of 26 selected projects, ETPs/STPs/ septic tank/ soak pits were required to be installed by 17 projects.	Physical verification of sites of these projects revealed that ETPs/STPs/ septic tank/ soak pits were not installed by four PAs. In the absence of these measures, water pollution could not be controlled in project areas.
<b>(iv)</b>	<b>Non-construction of rain water harvesting structures</b>	
	Rain water harvesting (RWH) for roof run-off and surface run-off, as per plan submitted were to be constructed. Before recharging the surface run off, pre-treatment through sedimentation tanks must be done to remove suspended matter, oil and grease. Out of 26 selected projects, the condition was applicable to 23 projects.	Six projects had not made proper arrangement for RWH system. Further, in another case, the RWH pits were constructed but oil and grease trap system was not constructed. Non-adoption of these measures carries the risk of water pollution.
<b>(v)</b>	<b>Handling of explosive material</b>	
	Diesel required for operating DG sets shall be stored in underground tanks and if required, clearance from Chief Controller of Explosives shall be taken. The condition was applicable in respect of 11 projects.	Eight projects had not taken the clearance for the handling of explosive material from the authorities concerned, in the absence of which Audit could not ensure whether explosive material was being stored properly.
<b>(vi)</b>	<b>Use of ground water without permission</b>	
	It was mandatory to obtain 'No Objection	Four PAs had not obtained permission from

Sr. No.	Conditions of EC/EIA mentioned in individual projects	Audit observations
	Certificate' from the Central Ground Water Board (CGWB) to draw ground water in respect of 12 out of 26 test-checked projects.	CGWB, in the absence of which Audit could not ensure whether ground water was being drawn as per norms.
<b>(vii)</b>	<b>Shortfall in implementation of Emergency Preparedness Plans (EPP)</b>	
	PAs were required to prepare and implement an Emergency Preparedness Plan (EPP) after assessing the risks of the project site including fire extinguishers, protective clothing and personal protective equipment.	Municipal Corporation, Rohtak had not installed firefighting equipment and personal protective equipment was not provided for emergency to its employees. Further, Haryana Power Generation Corporation Limited had provided only two jeeps against the requirement of 4 jeeps for fire fighting. As such, these projects were not covering the risk of project sites in emergency.
<b>(viii)</b>	<b>Non-use of top soil</b>	
	Two projects located at Rewari and Dharuhera were required to store the top soil at earmarked sites for utilizing the same for land reclamation and plantation.	Top soil was lying unutilized and proper site for its storage was not earmarked at the project located at Rewari. Similarly, a PA in Dharuhera has dumped the soil excavated during construction activities in the adjacent plot. These violations cause environment pollution.
<b>(ix)</b>	<b>Change in the scope of work after obtaining the EC</b>	
	As per EC conditions, in case of any change(s) in the scope of the project, the project would require a fresh appraisal by MoEF&CC,GOI.	A builder had constructed club house and ground floor instead of stilt which was not provided for in the project. But the PA had neither taken any permission nor had applied for fresh appraisal to MoEF&CC for obtaining revised EC.
<b>(x)</b>	<b>Non utilization of fly ash generated in case of 'Thermal Power Project'</b>	
	Fly ash should be collected in dry form and storage facility should be provided. Further, as per notification of GOI (November 2009) at least 50 per cent of fly ash generated should be utilized within one year, 70 per cent within two years, 90 per cent within three years and 100 per cent within four years from the date of commissioning of projects.	A project was commissioned in 2012-13 but the utilization of fly ash was not as per norms; the shortfall ranged between 11 and 22 per cent during the third and fourth years i.e. from 2014-15 to 2015-16. The PA stated (May 2016) that they would meet Public Works Department officials and request them to take fly ash free of cost for road works. The fact remains that the fly ash was not disposed off which causes pollution.

In view of the above non-compliance of EC and EIA conditions, audit could not ensure how pollution and its adverse impact on the environment was being controlled after issuing EC.

**(b) Non-compliance of environment impact monitoring aspects**

The ECs and EIAs of individual projects had provisions to monitor the adverse impact of projects on environment in the form of returns, advertisement and public awareness. Scrutiny of records and physical verification of project sites during November 2015 to August 2016 revealed that these provisions were not



fulfilled by the Project Authorities. As a result, the monitoring of adverse impact on environment was lacking as given in Table 3.2 below.

**Table 3.2: Details showing non- compliance of environment impact monitoring aspects**

Sr. No.	Conditions of EC/EIA mentioned in individual projects	Audit observations
<b>(i)</b>	<b>Shortfall in installation of Ambient Air Quality Monitoring Stations</b>	
	PAs were required to install adequate numbers of Ambient Air Quality Monitoring Stations (AAQMS).	Four projects had not installed the AAQMS though the projects were in operation. In the absence of AAQMS, Audit could not ensure whether the ambient air quality in the area was within norms.
<b>(ii)</b>	<b>Shortfall in conducting various environmental tests</b>	
	PAs were required to conduct the tests of noise, air and ground water to monitor various environmental parameters.	Five, three, three, four and two projects had not conducted tests of air quality, stack emission, ground water, effluent and ambient noise respectively. In the absence of tests, Audit could not ensure whether the environmental parameters were maintained by these projects.
<b>(iii)</b>	<b>Non submission of annual ‘Environmental Audit Report’/ ‘Environmental Statement’</b>	
	Environmental Audit Report/Environmental Statement (EAR/ES) in Form V was to be submitted every year by the PAs. This condition was applicable to three out of test-checked projects.	Out of three, one project had not prepared and submitted the Environment Statement to the authorities concerned.
<b>(iv)</b>	<b>Monitoring of environmental parameters by private agencies/third parties</b>	
	Environmental tests were required to be conducted from laboratories approved by MoEF/ PPCB /National Accreditation Board for Laboratories.	Four projects had not conducted tests of any of the environmental parameters. The system of surprise check and testing of samples at their own level through their accredited laboratories was also not put in place by HSPCB. In the absence of this, favourable reporting by laboratories if any, could not be ruled out.
<b>(v)</b>	<b>Non-setting up of separate environment cell with adequate manpower</b>	
	A separate Environment Management Cell (EMC) with suitable staff to carry out various environment related functions was to be set-up by PAs.	Separate environment cell with adequate manpower was not set up by 8 PAs despite making commitments in EIA report or conditions in the EC letters. Thus, monitoring of environment impact by project authorities was lacking.
<b>(vi)</b>	<b>Non-submission of six monthly compliance reports</b>	
	It was mandatory for the PAs to submit half-yearly compliance reports on 1st June and 1st December of each calendar year to State Pollution Control Board, State Environment Impact Assessment Authority (in case of category B projects) and Regional Office of Ministry of Environment, Forest and Climate Change.	Seven projects had not submitted half yearly compliance report to the authorities concerned. Further, in respect of four projects only one report had been submitted by each project during 2011-16 against the requirement of sending 10 reports by each project during this period. As such, the monitoring mechanism was not followed.

Thus, monitoring of potential adverse impact of projects on environment was insufficient.

### **3.1.5 Environmental parameters for Air, Surface Water, Ground Water and Noise beyond permissible limits**

The HSPCB prescribed environmental parameters relating to air, effluent after treatment, ground water and noise. Test check of revealed that (i) air pollution in respect of two projects located at Jharli (Jhajjar) and Gurugram was on higher side, (ii) hardness of ground water was beyond permissible limits in respect of a project in Shahbad, and (iii) quality of discharge from STP at Gurugram was not within permissible limits. Thus, the pollution norms were not within limits which adversely affected the environment.

HSPCB stated (November 2016) that environmental parameters were being monitored regularly and suitable action was being taken against violators. However, specific action taken against above violators was not intimated.

### **3.1.6 Conclusion**

Thus, there remained considerable scope for improvement in monitoring and enforcing compliance with the conditions stipulated in the Environment Clearances. There were still instances of project authorities not complying with the conditions which include conducting tests of ambient air, ambient noise and ground water.

The matter was referred to the Government in September 2016; its replies were awaited (December 2016).

## **Food and Drug Administration Department**

### **3.2 Implementation of Food Safety and Standards Act, 2006**

**The Department neither conducted a survey to identify food business establishments nor maintained the data-base of food business establishments. The food laboratories were not equipped with modern instruments for testing food samples. Non-compliance with key provisions of the Act poses health hazards as quality of food is not assured.**

#### **3.2.1 Introduction**

In order to regulate the manufacture, storage, distribution, sale of food articles and to ensure availability of safe and wholesome food for human consumption, Government of India (GOI) enacted (August 2006) the Food Safety and Standards (FSS) Act, 2006 and framed (May 2011) Rules and Regulations thereunder effective from 5 August 2011.

In Haryana, the Department of Food and Drug Administration was carved out as an independent Department from the Health Department in January 2011 for implementation of the FSS Act. The Department is headed by the Commissioner and is working under the administrative control of the Additional Chief Secretary

of Health Department. The State has two food testing laboratories at Chandigarh and Karnal. The State Government notified (September 2011) civil surgeons of each district as Designated Officer (DO) to perform the functions of Licensing Authority and all Food Safety Officers (FSOs) as Registering Authorities for food business operators (FBOs).

With a view to assessing the efficiency and effectiveness of the implementation of the Act, audit was conducted by test-checking the records for the period 2011-16 of the Commissioner, Food and Drug Administration, food laboratories located at Chandigarh and Karnal and DOs and FSOs in four<sup>3</sup> out of 21 districts in the State. The selection of districts for test-check was done by the Probability Proportionate to Size Without Replacement method (PPSWOR).

### 3.2.2 *Licensing and registration*

#### 3.2.2.1 *Non-conducting of survey and non-registration of Food Business Operators*

Clause 30 (2) (b) of the Act provides that the Department shall carry out survey of industrial units engaged in the manufacture or processing of food in the State to ascertain compliance by such units of the standards notified by the Food Authority for various articles of food. Further, regulations 2.1.1 and 2.1.2 of the FSS (Licensing and Registration of Food Businesses) Regulation 2011 stipulate that all FBOs with annual turnover of less than ₹ 12 lakh shall register themselves with the Registering Authority. Similarly, FBOs, whose annual turnover is more than ₹ 12 lakh, would obtain a license from Licensing Authority. Thus, every FBO was required either to register itself or get license to carry out food business.

Food Safety and Standard Authority of India (FSSAI) emphasized (July 2012) that licensing and registration of FBOs was the center-piece for the implementation of the Act. It was also estimated that license fees to be collected for mid-size States (population 2.5 to 4 crore) would be in the order of ₹ 50-75 crore a year.

Scrutiny of records revealed that neither any survey was conducted nor any data-base with regard to total number of FBOs in the State was available with the Department. However, 6,784 licenses out of 9,913 applications and 14,413 registrations out of 20,017 applications had been granted up to March 2016 in the State and average annual revenue collection on account of registration and License fee was ₹ 0.85 crore<sup>4</sup> which was only 2 *per cent* of the estimate of FSSAI. In the absence of any survey or data-base, chances of FBOs running businesses without licenses/registrations cannot be ruled out.

<sup>3</sup> Ambala, Faridabad, Gurugram and Sonapat.

<sup>4</sup> ₹ 4.25 crore was collected during 2011-16, average for one year works out to ₹ 0.85 crore.

The Department stated (October 2016) that survey and registration of FBOs could not be done due to acute shortage of FSOs, DOs and infrastructure such as vehicle/jeep and laptop with internet facility.

### **3.2.2.2 Non-issue of licenses**

As per Regulation 2.1.4 of the Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations 2011, license shall be issued by the Licensing Authority concerned within a period of 60 days from the date of issue of an application ID<sup>5</sup> number. Further, Regulation 2.1.6 provides that an applicant may commence his business if license is not issued within 60 days or the applicant has not received any intimation of inadequacy from the concerned Licensing Authority.

Scrutiny of records of four test-check districts revealed that applications for issue of licenses of 451 FBOs of two<sup>6</sup> districts were pending as of May 2016 although their applications were received between January 2014 and March 2016. The Department had neither issued intimation on inadequacies of the applications submitted by the FBOs nor issued licenses within the prescribed period of 60 days. The delay after the prescribed period ranged between one month and 26 months. In the absence of intimation of inadequacy of the application by licensing authorities, the FBOs having inadequacies in submitted application also became eligible to commence their businesses. Thus, chances of conduct of food business by ineligible FBOs cannot be ruled out posing a risk to quality assurance.

The Department stated (October 2016) that non-issue of licenses and few lapses on the part of DOs/FSOs were due to shortage of manpower and infrastructure.

### **3.2.3 Availability of infrastructure**

#### **3.2.3.1 Inadequate infrastructure facilities in the food laboratories**

Sections 20 and 21 of the Act provide that no articles of food shall contain any contaminant, toxins or hormone or heavy metals, insecticides, pesticides, veterinary drugs residues, antibiotic residues, solvent residues, pharmacological active substances and micro-biological counts in excess of such tolerance limit as may be specified by the Regulations. Food laboratories with modern facilities are essential for providing facilities to the traders, distributors and manufacturers of food articles for getting their products tested as well as for enforcement organisations responsible for the implementation of the Act.

Scrutiny of records of Haryana Food Laboratory, Chandigarh and District Food laboratory, Karnal revealed the following:

- (i) There was no facility for conducting residual analysis tests for pesticide

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<sup>5</sup> Identification number is given to FBOs on receipt of complete application.

<sup>6</sup> Gurugram : 406 and Sonapat: 45.

residues, mycotoxins, metallic contamination, antibiotic residue and food additives in the laboratories. These tests were neither being conducted in the Government laboratory nor were got conducted from accredited laboratories. The Public Analyst sent (September 2015) a proposal to the Commissioner of the Department for purchase of major sophisticated instruments worth ₹ 6.99 crore for carrying out these tests but the proposal had not yet materialized (October 2016).

(ii) Equipment like Gas Liquid Chromatography Model Trace GC (Ultra) and Gas Liquid Chromatography Model Trace GC 2010 used for detection of pesticide residues and High Performance Liquid Chromatography used for testing of amino acids, carbohydrates, pesticides and anti-oxidants of foods costing ₹ 43.14 lakh supplied to the laboratory between July 2005 and January 2006 were not in working condition for the last four to seven years at Haryana Food Laboratory Chandigarh. Audit observed that effective efforts were not made (June 2016) to repair these equipment except making reference to firms concerned for repair.

(iii) Microwave Digestive System Mars-S purchased in March 2005 at a cost of ₹ 5.98 lakh<sup>7</sup> was not in use in the Laboratory at Chandigarh because of non-availability of connected instrument. The main purpose of the system was preparation of samples for analysis by atomic absorption, inductively coupled plasma emission spectroscopy, gas or liquid chromatography.

The Department stated (October 2016) that a case for up-gradation of food laboratory has already been sent to Government of India for providing 75 per cent share of estimated cost of up-gradation of the laboratory and the State Government had agreed to provide balance 25 per cent share.

### ***3.2.3.2 Non-availability of infrastructure and equipment with FSOs/DOs for safe storage of food samples***

Section 47 of the Act provides that when FSO takes a sample of food for analysis, he shall send one of the parts for analysis to the Food Analyst and three parts to the Designated Officer for keeping these in safe custody. If the test reports received from Food Analyst are found to be at variance, then DO shall send one part of the sample kept in his custody to referral laboratory for analysis. Food samples which have been found sub-standard, misbranded and unsafe and the decision thereto are pending may be required to be produced in courts or adjudicating authorities in future, need to be stored in safe condition.

Scrutiny of records of test-checked districts revealed that the Department collected 2,868 food samples for analysis between August 2011 and March 2016. Of these, 351 samples were found unsafe/substandard/misbranded including 140 cases pending for adjudication/prosecution for the last 1 to 4 years. Audit noticed that proper infrastructure was not available for safe storage of food samples in the

<sup>7</sup> 13000 dollars at the rate of ₹ 46 per dollar.

Department as samples were lying in the *almirah* in the store room. In the absence of storage facility, the condition of samples may deteriorate and the Department may not be able to process the court cases effectively.

The Department stated (October 2016) that one refrigerator and one AC would be provided in each district for safe storage of samples.

### **3.2.4 Inspection, Sampling and Prosecution**

#### **3.2.4.1 Inspection of registered establishments**

Regulation 2.1.1(6) of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides that the Registering Authority or any officer or agency shall carry out food safety inspection of the registered establishments at least once a year. Rule 2.1.3 (4)(iii)(a) of the FSS Rules, 2011 provides that FSO will inspect, as frequently as may be prescribed by the DO, all food establishments licensed for manufacturing, handling, packing or selling of an article of food within the area assigned to him.

Scrutiny of four test-checked districts revealed that 4,484 licenses and 7,291 registrations were issued to the FBOs for various products handled by them up to March 2016 but no inspections were conducted by the FSOs or any authorized officer/agency after grant of license and registration.

The Department stated (October 2016) that inspection of FBOs could not be conducted due to lack of manpower and infrastructure.

#### **3.2.4.2 Non-achievement of targets for collection of samples**

Section 38 of the Act provides that Food Safety Officers (FSOs) would take samples of any food or substance which appears to him to be intended for sale or to have been sold for human consumption. The Department had fixed the targets for collection of 30 samples per month by FSO of each district for testing.

It was noticed that against the requirement of collecting 34,020<sup>8</sup> samples, only 9,332 samples were collected and tested during August 2011 to March 2016, of which 1,184 samples were found unsafe/sub-standard/misbranded. Thus, the shortfall in collection of samples was 73 *per cent* in the State while the shortfall ranged between 42 *per cent* and 71 *per cent* in the four<sup>9</sup> selected districts during the same period.

The Department attributed (October 2016) the shortfall in collection of samples to shortage of manpower and non-availability of vehicles.

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<sup>8</sup> 30 samples x 54 months x 21 districts: 34,020

<sup>9</sup> Ambala(53 *per cent*), Faridabad(53 *per cent*), Gurgram (42 *per cent*) and Sonapat(71 *per cent*). Targets of each district was 1620.

### **3.2.4.3 Non-adjudication against offenders of sub-standard/misbranded samples**

According to Rules 2.4.2 (5 & 6) and 2.4.6 of FSS Rules, the Food Analyst shall send four copies of the report to the DO concerned who would keep two copies for further action and send one copy to FSO and one copy to FBO from whom the sample was taken. If appeal is preferred by FBO against the findings of the Food Analyst, the DO would refer the case to the referral laboratory. Further, Rule 3.1.1 provides that if no appeal has been preferred by the FBO or the finding of referred laboratory confirm the finding of food analysis, the DO shall examine as to whether the contravention is punishable with imprisonment or with fine only. If DO decides that contravention is punishable with fine only, he shall cause and authorize the FSO to file an application for adjudication with the Adjudication Officer (AO).

Scrutiny of records of four test-checked districts showed that out of 351 failed samples, prosecution was launched against 32 FBOs, 227 FBOs were adjudicated, adjudication was under process against 28 FBOs and no action was taken against 64<sup>10</sup> FBOs. As no appeal was submitted by the FBOs to the DOs in these 64 cases, they were liable to be adjudicated. But the cases were not referred to AOs despite lapse of 12 to 53 months of taking of the samples.

The Department stated (October 2016) that all DOs and FSOs had been directed to file the adjudication application against the offenders within the prescribed time failing which they would be held responsible and administrative action would be taken.

### **3.2.4.4 Delay in adjudication of cases**

Rule 3.1.1 (4) and (9) of FSS Rules 2011 provides that on receipt of the application for adjudication from the FSO, the AO shall commence the inquiry proceedings and shall pass the final order within 90 days from the date of first hearing. Audit observed that 42 cases were pending for final decision as of March 2016 with three<sup>11</sup> AOs even after 90 days from the date of first hearing.

The Department stated (October 2016) that the AOs had been requested to settle the cases within the prescribed period.

### **3.2.5 Availability of manpower**

Rules 2.1.2.1(i) and 2.1.3 of the FSS Rules 2011 provide that the DOs and FSOs would be whole time officers. After passage of more than five years, no regular DOs have yet been posted and the additional charge was given to the Civil Surgeons concerned.

As against 211 sanctioned posts of 26 categories of staff, 107 persons were in position and 104 posts (49 *per cent*) were vacant. Against 22 sanctioned posts of FSOs, 12 were in position, out of which only 8 were working and 4 FSOs were

<sup>10</sup> Ambala: 13, Gurgram : 28 and Sonapat: 23.

<sup>11</sup> Ambala: 5, Gurgram : 33 and Sonapat: 4.

under suspension. Shortage in the key cadre of DOs and FSOs meant to manage the licensing, registration and sampling at the ground level adversely affected the enforcement of various provisions of the Act, Rules and Regulations.

### 3.2.6 *Information, Education and Communication activities*

Information, Education & Communication (IEC) and Awareness is the backbone for implementation of the Act. As per decision taken in the 8th meeting of the Central Advisory Committee held in July 2012, Food Safety Commissioner should plough back at least 75 per cent of license and registration fees collected by Department for carrying out IEC activities that should include (i) IEC activity-local language advertisement, jingles in FM (ii) 24X7 food safety helpline, and (iii) webpage preparation for food safety in local language.

Scrutiny of records revealed that the Department collected license and registration fees of ₹ 4.25 crore during 2011-16 and 75 per cent of this amount (₹ 3.19 crore) was to be ploughed back for carrying out IEC activities. But the Food Safety Commissioner had not demanded any funds for IEC activities. Further, no plans were prepared for IEC activities. As such, adequate attention was not paid towards IEC activities and decision of the Central Advisory Committee was not implemented.

### 3.2.7 *Conclusion*

Thus, enforcement of the provisions of the Food Safety and Standards Act, 2006 was weak and insufficient. Survey of food business establishments was not carried out and database of food business establishments was not maintained. The food laboratory was not equipped with modern sophisticated instruments for testing food samples according to prescribed standards. Non-compliance with key provisions of the Act endangers the quality of food and poses health hazard to general public.

These points were referred to the Government in July 2016; their reply had not been received (December 2016).

## Home and Administration of Justice Department

### 3.3 *Non-implementation of project for Upgradation of Police Control Room*

**Failure of the Department to accurately assess the technical requirements for the project and select a competent agency coupled with lack of coordination between the Police Department and HARTRON resulted in the project languishing for over five years despite availability of sufficient funds. Besides, Government funds of ₹ 3.50 crore have been blocked since December 2011 and Department has suffered a loss of interest amounting to ₹ 1.03 crore.**

In order to integrate all the control rooms of Haryana Police, a project<sup>12</sup> “Modernisation and Upgradation of Police Control Room at Police Head Quarter

<sup>12</sup> Upgradation consist of the activities in the field of (1) IP based EOC clients cum operators, (2) Call taking and dispatch server (3) Video well display server (4) Integration services.



(PCR), Panchkula” was approved (June 2011) by State Level Empowered Committee for ₹ 3.50 crore under the Government of India’s Modernization of Police Force scheme.

Scrutiny of records of the office of Director General of Police (DGP), Haryana, Panchkula revealed that a proposal for upgradation of Police Control Room (PCR) at Panchkula was submitted (September 2011) to HARTRON to initiate process for acquisition of equipment. Government of Haryana issued sanction for ₹ 3.50 crore in October 2011 for this project. HARTRON sent (November 2011) draft Request for Proposal (RFP) to the Police Department for concurrence. Thereafter, Police Department deposited ₹ 3.50 crore in December 2011 with HARTRON for the project. However, the RFP was cancelled as the requirements were changed/ modified<sup>13</sup> by Haryana Police. Accordingly, RFP was revised and again sent (October 2012) to DGP by HARTRON which was approved in November 2012. NIT was floated in December 2012 by HARTRON but no final decision was taken.

Finally, HARTRON returned (June 2013) the indent after 21 months to the Police Department to handle the project on its own as it had no domain expertise to handle such a huge turnkey technical project. Police Department requested (August 2013) HARTRON to reconsider its decision and authorized them to take the assistance of professional experts, if required. Accordingly, HARTRON agreed (September 2013) for taking up the project with the condition that it may engage an expert to assist the committee constituted for the purpose of preparing the RFP, bid evaluation and implementation of the project. However, the proposal of hiring expert from market was not approved by the DGP, Haryana who directed that the committee may visit adjoining States to conduct survey so that modern equipment may be purchased. Thereafter, no action was taken and the funds of ₹ 3.50 crore were lying with HARTRON unutilized since December 2011. However, utilisation certificate of funds was submitted (May 2013) by the DGP, Haryana to Government of India though no expenditure had been incurred on the project.

Further, according to the instructions issued by Finance Department (March 2011), HARTRON was required to pay interest at the rate of six *per cent* per annum, on half yearly basis to the Department on unutilized funds and administrative departments were responsible for recovering the interest. But, neither HARTRON paid nor the Department demanded interest due to which, the Department suffered a loss of interest of ₹ 1.03 crore<sup>14</sup>.

On being pointed out, the DGP, Haryana stated ( October 2016) that HARTRON was requested (August 2016) to depute a representative to provide necessary

<sup>13</sup> Changes/modifications mainly pertaining to the processor, RAM, HDD and OS of the server and work station, capture quality of surveillances system.

<sup>14</sup> Simple interest at the rate of six *per cent* per annum of ₹ 3.50 crore from January 2012 to November 2016.

technical inputs and consultancy to help the Police Department in preparing comprehensive project report for upgradation of Haryana Police Control Room. The matter remains yet to be finalized (November 2016).

Audit observed that persisting with HARTRON when it had expressed its inability to handle the project on its own and proposal for engagement of professional experts had been refused by the Department lacked rationale. Thus, failure of the Department to accurately assess the technical requirements and select a competent agency coupled with lack of coordination between the Police Department and HARTRON resulted in the project languishing for over five years despite availability of sufficient funds. Besides, Government funds of ₹ 3.50 crore have been blocked since December 2011 and Department has suffered a loss of interest amounting to ₹ 1.03 crore.

The matter was referred to the Government in June 2016 and reminder was issued in August 2016. Reply is awaited (December 2016).

### **Home and Administration of Justice, Revenue and Disaster Management Departments**

#### ***3.4 Avoidable payment of interest due to delay in deposit of enhanced land compensation***

**Delays on the part of Land Acquisition Collector and Police Department in processing and pursuing the case for enhanced compensation resulted in avoidable payment of ₹ 4.81 crore as interest.**

For acquisition of land for public purpose, the State Government is required to issue a preliminary notification under Section 4 of the Land Acquisition Act, 1894, (the Act) declaring its intention to acquire the land. Further, section 28 of the Act stipulates that the Land Acquisition Collector may pay interest on enhanced compensation 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.

Scrutiny of records of the Director General of Police (DGP), Haryana, Panchkula, showed that a notification was issued under section 4 of the Act in April 1999 for acquisition of land to establish a Police line and family quarters for Police staff at Yamunanagar. The Land Acquisition Collector (LAC) cum Sub-Divisional Officer (Civil) Jagadhri, awarded (April 2002) ₹ six lakh per acre as compensation for land which was enhanced (February 2005) to ₹ 12.07 lakh per acre by the Additional District Judge (ADJ), Jagadhari. Aggrieved by the decision of ADJ Jagadhari, 21 Regular First Appeals (RFAs) were filed (11 RFAs by the State and 10 RFAs by the landowners) in the Punjab and Haryana High Court.

The High Court dismissed all the appeals of the State and enhanced (04 October 2012) the compensation to ₹ 1,560 per sq. mtr. (₹ 63.13 lakh<sup>15</sup> per acre).

In compliance of the above decision, Superintendent of Police (SP), Yamunanagar requested (January 2013) LAC, Jagadhri, to intimate the details of enhanced compensation. The LAC, Jagadhri requested (February 2013) SP, Yamunanagar to deposit ₹ 58.86 crore as enhanced compensation (including interest up to 21 April 2013) pertaining to five RFAs<sup>16</sup> so that payment could be deposited in the ADJ Court, Jagadhri. Subsequently, the Home Department accorded sanction for ₹ 58.86 crore for making payment to the land owners in June 2013. The amount was ultimately deposited in the civil court on 05 October 2013 viz. after more than 12 months from the date of orders of High Court. Payment was made to land owners in October 2013 and the interest was calculated up to April 2013. The landowners demanded interest for the remaining period. Resultantly, interest of ₹ 1.55 crore for the period from 22 April 2013 to October 2013 was also paid to land owners in April 2014. Thus, delay in withdrawal and disbursement of enhanced compensation resulted in avoidable payment of interest of ₹ 2.84 crore for the period from January 2013<sup>17</sup> to October 2013 to the land owners.

On being pointed out the DGP Haryana stated (June 2016) that the sanction from Government was received under head 'Capital outlay' where adequate funds were not available and the case was again submitted to Government to divert the funds from "Major Works" head to "Land" head. The contention of the Department was not tenable as case was submitted (May 2013) to Government without ascertaining sufficient funds under the head capital outlay despite the fact that original budget under the sub head 'Land' was ₹ nine crore. Had the Department initially assessed the availability of funds properly keeping in view the orders of the Honourable High Court, payment of interest could have been avoided.

Similarly, for remaining five RFAs, against the order of High Court of 4 October 2012, the LAC demanded ₹ 35.19 crore (including interest upto 21 November 2013) from SP, Yamunanagar only in November 2013. Home Department accorded (December 2013) sanction amounting to ₹ 35.19 crore and the amount was deposited in the court in December 2013. Payment was made to land owners in December 2013 and the interest was calculated only up to November 2013. The landowners demanded interest for the remaining period. Resultantly, interest of ₹ 0.16 crore for the period from November 2013 to December 2013 was paid to land owners in March 2015. Thus, delay in submission of the claim along with calculation by the LAC after lapse of 13 months from the High Court order (October 2012) due to lack of co-ordination between LAC and SP Yamunanagar resulted in avoidable payment of interest of ₹ 1.97 crore to the landowners.

<sup>15</sup> 4,046.85 x ₹ 1,560 = ₹ 63,13,086.

<sup>16</sup> Swarn Singh & others v/s State of Haryana RFA No. 1955 of 2003.

<sup>17</sup> Extra payment has been calculated after giving a reasonable time of 90 days from the date of court order for processing the cases for payment.

LAO Jagadhari stated (June 2016) that SP Yamunanagar requested (January 2013) their office to calculate the amount of compensations but copy of orders of High Court dated 04 October 2012 was not attached. The fact, however, remains that 13 months were taken in this process by the LAC and SP, Yamunanagar as the matter remained under correspondence between them.

Delay in payment of enhanced compensation on the orders of the Court attracts interest payment and timeliness in processing these cases was a must. Failure to do so reflected a lackadaisical approach on the part of both LAC and Police Department in processing and pursuing the case for payment of enhanced compensation. In respect of the first five cases, the main delay was on the part of the Police Department in withdrawing and disbursing the money while in the remaining five cases, LAC took 10 months to submit the claim. As a result of the delay in payment of enhanced compensation, there was an avoidable payment of interest of ₹ 4.81 crore in the above cases.

The matter was referred to the Government in May 2016. Reply was awaited (December 2016).

### **Industrial Training Department**

#### ***3.5 Upgradation of Government Industrial Training Institutes through Public Private Partnership***

**Industrial Training Department failed to upgrade Industrial Training Institutes. There were cases of poor academic achievement due to shortage of faculty, non operation of trades and lack of skill development. Besides, targets for affiliation were not achieved and pass percentage was poor.**

Government of India (GOI), Ministry of Labour and Employment, launched a centrally sponsored scheme for “Upgradation of Government Industrial Training Institutes (ITIs) through Public Private Partnership (PPP)” in November 2007. Under the scheme, 52 Government ITIs were to be covered in Haryana in five phases from 2007-08 to 2011-12. Each ITI was to be associated with an industry partner. The main objective of the scheme was to improve employment opportunities from the vocational training system by making design and delivery of training more demand oriented. For this purpose, an Institute Development Plan was to be prepared by the State Government for each ITI in such a way that it leads to upgradation of ITI as a whole and defines the long term goals of the institute to meet the needs. For implementation of the scheme at the State level, a State Steering Committee under the Chairmanship of the Additional Chief Secretary was constituted to guide the overall implementation and monitoring of the scheme. An Institute Management Committee was also constituted for each ITI.

Records of the office of the Director General, Industrial Training Department and 13 ITIs<sup>18</sup> out of 52 selected through random sampling using probability proportional to size without replacement method for the period 2007-16 were test checked during December 2015 to March 2016 to ascertain the effectiveness of the department in upgradation of ITIs through PPP.

### 3.5.1 Financial Management

An interest free loan of ₹ 2.50 crore was provided by the GOI to the Institute Management Committee of each ITI for upgradation. Funds of ₹ 130 crore (₹ 2.50 crore to each ITI) were released to 52 ITIs in the State of Haryana during the period 2007-08 to 2011-12 and ₹ 32.50 crore released to 13 test checked ITIs. Loan amount was to be spent over a span of five years and funds were earmarked in the institute development plans of each ITI under seven different components<sup>19</sup> as approved by the National Steering Committee. The loan was to be repaid in 30 years after a moratorium period of 10 years.

#### 3.5.1.1 Mismanagement of funds

Against the available funds of ₹ 48.26 crore<sup>20</sup> in selected 13 ITIs, an expenditure of ₹ 33.64 crore was incurred during 2007-16 and an amount of ₹ 14.62 crore was lying unspent as on 31 March 2016. Two ITIs {Faridabad (W) and Bahadurgarh (W)} have more than ₹ two crore and three ITIs (Sadhaura, Kurukshetra and Kurukshetra(W)) have more than ₹ one crore unspent balance.

As per the guidelines, 20 per cent of loan amount (₹ 50 lakh by each ITI) was to be kept as seed money to make repayment of loan after the moratorium period and purchase of consumable and non consumable items to provide long term sustainability to the project. However, ITI Kaithal has a balance of only ₹ 19 lakh which was less than seed money required (₹ 50 lakh).

The Department stated (July 2016) that funds were not utilized by ITI (W) Faridabad due to non-cooperation of industry partner and cancellation of tender for civil work. He further added that instructions have been issued to ITIs to utilize the funds over and above ₹ one crore lying in their institute. ITI Kaithal has also been directed to maintain seed money amount.

<sup>18</sup> Phase-I (2007-08): (i) Sadhaura, (ii) Kurukshetra, (iii) Kaithal and (iv) Hassangarh, Phase-II (2008-09): (i) Bahadurgarh(Women), (ii) Faridabad (W), (iii) Kaithal (W), (iv) Bhiwani (W) and (v) Nalwa, Phase-IV (2010-11): (i) Nissing, (ii) Sirsa (W) and (iii) Kurukshetra(W), Phase-V (2011-12): (i) Pundri. Random sampling has not picked any ITIs covered under Phase-III (2009-10).

<sup>19</sup> (i) Civil Work, (ii) Tools, M&E, (iii) Furniture and furnishing, (iv) Books and learning resources, (v) Additional man power, (vi) Consumable maintenance and training material and (vii) Miscellaneous expenditure.

<sup>20</sup> Interest free loan: ₹ 32.50 crore, interest earned on deposits: ₹ 13.97 crore and revenue generated by 13 ITIs: ₹ 1.79 crore.

### **3.5.1.2 Excess expenditure**

Four ITIs incurred expenditure of ₹ six crore on machines and equipment against the revised estimate of ₹ five crore during 2008-09 to 2015-16 as per the institute development plan. The Director General directed (July 2016) the concerned ITIs to get the institute development plan of their institutes revised within two months and any other expenditure under any other sub head would also be rationalized in the new institute development plan. Audit observed that repeated modifications of the institute development plan indicates that it has not been prepared with due diligence.

### **3.5.1.3 Non-refund of Income Tax**

The Institute Management Committee of each ITI is required to obtain a separate Permanent Account Number (PAN) as it is an independent entity which may earn income from interest and other sources. If it gets registered under Section 12-A of Income Tax Act, 1961, and utilizes its income as per the provisions of Section 11 of Income Tax Act, then its income would be exempted from income tax. Scrutiny of records of five selected ITIs<sup>21</sup> showed that banks deducted tax at source of ₹ 12.22 lakh on interest accrued during 2009-16. Principals of four ITIs (except ITI, Pundri) intimated (December 2016) that they have not been registered under Section 12-A of Income Tax Act. Had the ITIs been registered under Section 12-A of Income Tax Act, amount of ₹ 12.22 lakh would have been saved.

### **3.5.1.4 Purchases without tendering process**

Director, ITI had issued (January 2010) instructions that store items exceeding value of ₹ one lakh and up to ₹ 25 lakh should be purchased through inviting minimum three tenders so that purchases could be made transparently and through healthy competition. Scrutiny of records of ITI, Kaithal showed that the institute had issued 67 supply orders for purchase of machinery and equipment without inviting tenders through quotations and purchase valuing ₹ 73.58 lakh was made from six supplies during May-June 2015 in violation of the above instructions.

The Department stated (July 2016) that the Principal has been directed that if bids were not received as per requirement, prior approval/NOC should be obtained from State Government/Directorate General of Employment and Training before processing.

### **3.5.2 Upgradation**

Loan provided by GOI was to be utilised for providing additional civil works in the ITI, for procurement of machinery and equipment and other activities directly related to upgradation of training infrastructure in the ITI.

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<sup>21</sup> Pundri (₹ 0.08 lakh), Bahadurgarh (W) (₹ 2.41 lakh), Hassangarh (₹ 4.89 lakh), Faridabad (W) (₹ 2.90 lakh) and Nalwa (₹ 1.94 lakh).

### **3.5.2.1 Delay in completion of construction works and excess expenditure**

(i) ITI (W), Faridabad received funds of ₹ 2.50 crore under upgradation scheme in January 2009. The construction work of second floor (additional class rooms) was allotted (February 2014) to a contractor at an estimated cost of ₹ 45.59 lakh on work order and the work was to be completed by June 2014. The contractor left the work incomplete after executing the work up to roof level. Institute made payment of ₹ 32.14 lakh during March-May 2014 to the contractor. The ITI has intimated (November 2016) that the balance work has been executed from another contractor at a cost of ₹ 35.10 lakh and was completed in August 2016. Thus, construction work was completed after seven years from implementation of scheme and by incurring an extra expenditure of ₹ 21.65 lakh.

(ii) ITI (W) Bahadurgarh received funds in December 2008 under the upgradation scheme. The upgradation was to be completed within five years of the receipt of funds. The construction work of new building was allotted in January 2014 i.e. after five years of receiving the funds and the work was completed in June 2015 at a cost of ₹ 70 lakh. The ITI has now been shifted to its building and the classes were started in June 2016. Thus, due to delayed completion of the building work, admission in the newly started trades could not be commenced and the work of affiliation of trades with National Council for Vocational Training could be done in August 2016 only.

(iii) ITI (W) Sirsa had received funds under upgradation scheme in January 2011 but the building work was allotted after two years in January 2013 which has been completed in February 2014 after delay of three years.

### **3.5.2.2 Delay in erection and installation of 11 KV sub-station**

GOI, Ministry of Labour and Employment prescribed (August 2010) power norms for trades, according to which availability of prescribed power for the respective trade was to be ensured for affiliation under the National Council for Vocational Training (NCVT). Scrutiny of records of ITI, Hassangarh showed that an amount of ₹ 14.37 lakh was paid (September 2011) to the PWD, Electrical Division, Rohtak for erection and installation of 11 KV Sub Station but electric connection has not been obtained so far (November 2016). Thus, heavy machines like lathe machine, welding set purchased during September 2011 to March 2014 valuing ₹ 17.83 lakh could not be put to use depriving the students of practical training. Moreover, warranty period of machinery purchased at a cost of ₹ 3.10 lakh had since expired. Further, trades could not be affiliated with National Council for Vocational Training. Students were, thus, deprived of admissions in National Council for Vocational Training trades.

### **3.5.2.3 Non-utilization of surplus machinery and tools**

During the period of upgradation, GOI had changed (June 2014) the syllabus of 63 trades under Craftsmen Training Scheme with effect from August 2014. Scrutiny of records in test checked ITIs showed that machinery and equipment

valuing ₹ 3.24 crore purchased for different trades during the preceding years (2008 to 2015) were rendered surplus due to change of syllabus. The Department had not taken any steps to dispose off the surplus machinery and equipment despite lapse of a period of two years. It was further observed that ITI Sadhaura has incurred an expenditure on machines and equipment worth ₹ 1.67 crore from July 2008 to October 2015 out of which machines and equipment worth ₹ 1.50 crore were surplus due to change of syllabus which resulted in wastage of funds.

The Department stated (July 2016) that the surplus machinery is being used to provide training for MES courses in the ITIs and that the surplus material was purchased before the change in syllabus. However, scrutiny of bills showed that machines and equipment worth ₹ 22.01 lakh were purchased by four ITIs<sup>22</sup> after June 2014 despite change of syllabus resulting in the wasteful expenditure.

### **3.5.3 Academics**

The objective of the scheme was to improve the quality of training leading to better employability. All the three parties (National Steering Committee, State Steering Committee and Institute Management Committee) were to jointly finalize yearly targets of Key Performance Indicators (KPIs) for the next five years for improving the internal as well as external efficiency of the ITIs. These parameters were to be used to evaluate the success of the scheme during and after the project period.

#### **3.5.3.1 Shortage of faculty**

The State Government was required to ensure that there were no vacancies exceeding 10 per cent of the sanctioned strength at any point of time. Scrutiny of records showed that shortage of faculty during 2013-14 to 2015-16 ranged between 14 per cent and 80 per cent in eight out of 13 ITIs which adversely affected the quality of training imparted to students and achievement of KPIs.

The Department stated (July 2016) that the vacancies have been calculated and the demand of instructors has been sent to Haryana Staff Selection Commission and process of recruitment is going to start soon.

#### **3.5.3.2 Non-operation of trades due to poor enrolment**

One of the Key Performance Indicators mentioned in the guidelines was related to percentage of enrolments as compared to number of seats in each trade. Scrutiny of records of 13 test checked ITIs revealed that 45 trades remained inoperative in six<sup>23</sup> out of 13 ITIs during 2010-15 due to less enrolment of students in these trades.

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<sup>22</sup> Faridabad (W): ₹ 4.15 lakh, Bhiwani (W): ₹ 15.41 lakh, Kurukshetra (W) : ₹ 1.22 lakh and Sadhaura: ₹ 1.23 lakh

<sup>23</sup> Bahadurgarh (W), Bhiwani (W), Faridabad (W), Kaithal (W), Kurukshetra and Hassangarh.



The Department stated (July 2016) that the new trades were to be opened after the construction of building, procurement of machinery and appointment of instructors, but there had been unavoidable delay in the above activities.

### **3.5.3.3 Skill Development Initiative**

With a view to improve skills and generate income by charging fee from trainees, institute development plans provide for fixation of targets for training, short terms, medium terms and long terms skill requirement. As per the revised guidelines (July 2014), each ITI was required to train at least 40 candidates per year if the number of units is less or equal to four (one unit is equal to 20 students) and 80 candidates per year if number of units is more than four.

Scrutiny of records of 13 ITIs showed that though targets for training courses were fixed, no training courses were organized. Thus, the aspiring youth were deprived of improvement of their skills. It was further noted that none of the 13 test checked ITIs had organised medium and long term courses and nine ITIs also did not organise short term courses for skill development.

The Department stated (July 2016) that due to timings for short term courses being after 5 PM and difficulty of transport facilities, trainees coming from rural areas could not attend the courses.

### **3.5.3.4 Poor academic achievements**

Initial bench mark of two Key Performance Indicators i.e. the base line for pass percentage of students and candidates appearing in the examination vis-à-vis intake capacity was fixed as 70 per cent (July 2014) which was to be increased upto 95 per cent in the next five years.

Scrutiny of records of test checked districts showed that pass percentage of the students in 96 trades ranged between 0 to 62 during the years 2010 to 2015 in selected 13 ITIs as detailed in **Appendix 3.1** which was even less than base line of 70 per cent. It was further observed that percentage of the students appearing in the examination vis-à-vis intake capacity was less than base line of 70 per cent in nine ITIs out of 13 selected ITIs which shows that the scheme was not implemented effectively.

The Department stated (July 2016) that every possible efforts have been made to enroll the students in project trades. Difficulties were on account of incomplete buildings, non-recruitment of the staff and non-affiliation of ITIs with National Council for Vocation Training. Further, all the Institutes have been directed to maintain session-wise (course-wise) result in future and to ensure that the result should be improved as per the targets of KPI.

### **3.5.3.5 Placement of students**

The objective of the scheme was to improve the employment outcomes of graduates from the vocational training system by making design and delivery of training more demand oriented. Further, as per revised guidelines issued in July

2014, initial bench mark was 50 *per cent* for wage employment and 70 *per cent* for overall employment.

Scrutiny of records showed that placement percentage of 12 out of 13 selected ITIs, ranged between zero and 41 during 2011-13 except in two ITIs where pass percentage was 97 (ITI, Nissing in 2012) and 73 (Faridabad (W) in 2013). Similarly, targeted rate of employment after issue of revised guidelines (July 2014) was achieved by only two ITIs (Sadhaura and Kurukshetra) in 2014 and by only four ITIs<sup>24</sup> in 2015. Thus, the main objective of the scheme to improve the employability through vocational training could not be achieved due to shortage of infrastructure and faculty as well as lack of active and effective industry participation.

The Department stated (July 2016) that ITIs in rural area have less chances of placement as no industries are located in rural areas.

### **3.5.4 Sustainability**

#### **3.5.4.1 Status of trades' affiliation**

As per scheme guidelines, all the trades run by ITIs should be affiliated with the National Council for Vocational Training (NCVT) and the affiliation was mandatory before starting of new trades. No admission is allowed in NCVT trades before affiliation is granted by NCVT Sub-Committee. NCVT certificates are recognized throughout the country while certificates of trades affiliated with State Council for Vocational Training (SCVT) are recognized in the concerned State only.

Scrutiny of records showed that 63 new trades were taken for upgradation by 13 ITIs, out of which 34 trades of 11 ITIs were without affiliation with NCVT (December 2016). Consequently, trainees who passed during 2007-08 to 2015-16 were deprived of NCVT certificate, resulting in loss of better employment opportunity outside the State.

### **3.5.5 Conclusion**

The scheme could not achieve its objectives of improving the employment outcomes from the vocational training system. There was shortage of faculty between 14 and 80 *per cent* in eight out of 13 ITIs and 34 trades of 11 ITIs remained non-affiliated with NCVT. Poor academic performance was observed in all 13 test-checked ITIs.

The matter was referred to the Government in May 2016. Reply was awaited (December 2016).

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<sup>24</sup> (i) Kurukshetra (71 *per cent*), (ii) Kaithal (70 *per cent*) (W), (iii) Nissing (58 *per cent*) and (iv) Sadhaura (68 *per cent*).

## Irrigation and Water Resources Department

### 3.6 Incomplete Irrigation Scheme

**Lack of coordination with other related departments as well as non-completion of critical activities not only resulted in inordinate delay in commissioning of a lift irrigation scheme but also deprived the residents of the area of the intended benefits. Expenditure of ₹ 7.87 crore incurred on the scheme remained unfruitful.**

The PWD Code envisages due coordination of work of all agencies in order to ensure timely completion and to avoid time over run. In order to provide canal irrigation facilities to 26 villages of districts Ambala and Kurukshetra, the 'Mansurpur lift irrigation scheme<sup>25</sup>' was administratively approved in November 2007 for ₹ 8.61 crore with the direction that it would be fed from both sides i.e. from Narwana Branch in *Rabi* season by lifting the water with the help of lift pumps and from Nalvi Distributory during *Kharif* season with natural flow of water. The work of construction of this scheme from RD 0 to 44000 was completed in June 2011 and the work of linking of Mansurpur Distributory to Nalvi Distributory by constructing Mansurpur Nalvi link channel was completed in March 2016.

Scrutiny of records showed that the project was divided into four reaches for execution i.e. RD 0 to 13000, RD 13000 to 26000, RD 26000 to 40000 and RD 40000 to 44000. The works of construction were allotted in April 2008 and completed in June 2011. An amount of ₹ 55.67 lakh was deposited with Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL) in May 2014 for independent feeder line to run the pump houses. However, the transformers and electric connections have not been provided so far (November 2016). Thus, the scheme could not be made functional for *Rabi* season. Further, this scheme could not be made functional for *Kharif* season from Nalvi Distributory side also as raw water from Nalvi Distributory could not be released for this scheme due to non-construction of RCC Box Type Bridge on Nalvi Distributory despite depositing an amount of ₹ 4.76 crore (₹ 2.47 crore in July 2010 and ₹ 2.29 crore in December 2011) with the Railways. An expenditure of ₹ 7.87 crore has been incurred (November 2016) on the scheme.

Thus, lack of coordination with UHBVNL and Railways not only resulted in inordinate delay in commissioning the scheme but also deprived the residents of the area of the intended benefits. The expenditure of ₹ 7.87 crore incurred on the scheme also remained unfruitful.

<sup>25</sup> (i) Construction of Mansurpur distributory (RD 0 to 44000).  
(ii) Construction of three pump houses to lift the water at RD 13000, RD 26000 and RD 40000 respectively.  
(iii) Mansurpur-Nalvi link channel.

The matter was referred to the Government in May 2016; its reply was awaited (December 2016).

## Industries and Commerce Department

### 3.7 Investment Promotional Schemes

**Implementation of the investment promotional schemes was marked by grant of ₹ 1.32 crore for ineligible items, non-recovery of interest free loan of ₹ 26.23 crore and non-recovery of grants-in-aid of ₹ 14.76 lakh. The Department provided financial assistance under interest free loan scheme to only five industrial units in ten years. Besides, targets of Food Processing Training Centre and Entrepreneurship Development Programme were not achieved even after incurring expenditure of ₹1.65 crore.**

The Department of Industries and Commerce, Haryana had implemented two 'Investment Promotional Schemes' viz. (i) Interest free loan in lieu of deferred Sales Tax/VAT (IFL) funded by State which commenced from July 2005 and (ii) National Mission on Food Processing (NMFP) which was a Centrally Sponsored Scheme (CSS) on sharing basis (75:25) which commenced from April 2012. An expenditure of ₹ 84 crore<sup>26</sup> was incurred against budget allocation of ₹ 104.98 crore under these two schemes during 2011-16<sup>27</sup>. Out of 21 districts, the schemes were implemented in 12<sup>28</sup> districts of the State. The objective of interest free loan scheme was to attract domestic investment and dispersal of industries to backward areas.

Records for the period 2011-16 were test checked in the office of the Director, Industries and Commerce Department, Haryana (I&C), Chandigarh during January to May 2016 with the objective of assessing the impact of these investment promotion schemes.

#### 3.7.1 Interest free loan in lieu of deferred Sales Tax/VAT

The Industrial Policy, 2005, envisaged that in order to attract domestic investment and dispersal of industries to backward areas, State Government would provide incentives to industrial units in the shape of interest free loan to mega projects with investment of ₹ 100 crore and above. Financial assistance was to be quantified on the basis of the eligibility certificate issued by Excise and Taxation Department which was 50 per cent of the tax paid on the sale of goods produced by such industrial units for a period of seven years from the date of start of commercial production as interest free loan repayable after a period of five years

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<sup>26</sup> ₹56.60 crore (IFL) + ₹27.40 crore (NMFP).

<sup>27</sup> IFL: from April 2011 to March 2016 and NMFP: from April 2012 to March 2015.

<sup>28</sup> (i) Faridabad, (ii) Fatehabad, (iii) Hisar, (iv) Kaithal, (v) Karnal, (vi) Kurukshetra, (vii) Mewat, (viii) Palwal, (ix) Panipat, (x) Rohtak, (xi) Sonapat and (xii) Yamuna Nagar.

from the date of grant of the interest free loan. In case of sale/ transfer of unit, balance amount of interest free loan was to be passed on to the purchaser/ transferee if it continues with the production without disposing any assets or adversely affecting manufacturing or production capacity. If, balance of interest free loan benefit granted had not been passed to the purchaser/ transferee, the amount was to be recovered from the original grantee along with interest at the rate of 18 *per cent* per annum.

### **3.7.1.1 Non-disposal of claims**

Scrutiny of records showed that six industrial units had submitted applications for claims of ₹ 280.83 crore under the interest free loan scheme up to March 2016. The Department disbursed only an amount of ₹ 97.94 crore to five industrial units while claims of ₹ 182.90 crore in respect of these five units including interest free loan of ₹ 34.34 crore in respect of a company located at Panipat, were yet to be disbursed (November 2016). The interest free loan claim of ₹ 34.34 crore to IOCL was not disbursed even once in the last four years. However, the Department failed to get approval of the estimated requirement of the funds under the interest free loan scheme resulting in accumulation of pending claims of ₹ 182.90 crore.

The Department stated (May 2016) that ₹ 200 crore has been demanded to clear pending claims and further stated (July 2016) that delay in disbursement of loan was due to paucity of funds and delay in completion of formalities by the applicant.

### **3.7.1.2 Non-recovery of interest free loan in lieu of deferred Sales Tax/VAT**

As per terms and conditions of sanction for interest free loan to a firm at Panipat, in case of sale/transfer of unit, balance of benefit of interest free loan was to be transferred to the purchaser if it continues with the production without disposing any assets adversely affecting manufacturing or production capacity.

Scrutiny of records showed that interest free loan of ₹ 37.97 crore was given (April 2009 to March 2015) to the firm. This firm signed (19 September 2014) a sale agreement with another private firm and submitted (07 October 2014) an application to the Department seeking approval for sale of the unit. On approval (06 January 2015) by the Department, the unit was handed over (27 April 2015) to the buyer firm without transferring the benefit of interest free loan in violation of condition of the sanction. It was noticed that the Department granted approval of sale of unit ignoring the provision of the sale agreement that stipulated that the firm would not transfer the benefit of interest free loan to another firm and released interest free loan of ₹ 4.43 crore during December 2014 to March 2015 to the firm. Further, it was observed that as on March 2016, loan of ₹ 18.44 crore and an interest of ₹ 7.79 crore (rate of interest 18 *per cent*) was outstanding towards the firm. Thus, advance of loan of ₹ 4.43 crore to the firm and approving sale of unit without transfer of interest free loan to the purchasing firm was in violation of conditions of sanction and scheme rules.

Department stated (May 2016) that bankers have been requested to revoke the bank guarantee issued in favour of Director, Industries and Commerce (I&C) Department taken against disbursement of the interest free loan.

### **3.7.2 National Mission on Food Processing**

#### **3.7.2.1 Excess sanction of grants-in-aid on ineligible items**

With a view to providing integrated and complete cold chain and preservation infrastructure facilities from the farm gate to the consumer or from the production site to the market, Cold Chain, Value Addition and Preservation Infrastructure Scheme was introduced under the National Mission on Food Processing in April 2012 and revised in August 2013. Under the scheme, grants-in-aid was released to three cold chain units out of six applications received during 2012-16. As per the guidelines, civil works viz. compound wall, cost of land and its development, any residential building or rest room/guest house, canteen, labour rest room and quarters for workers, security/ guard room or enclosure and non-technical civil works not directly related to cold chain or storage infrastructure were not eligible for grants-in-aid. Audit observed the following:

(a) An amount of ₹ 7.31 crore was sanctioned as grants-in-aid to a food industry at Sonapat for setting up of palletized cold store which included ineligible item of ₹ 1.17 crore.<sup>29</sup> Of this, ₹ 5.48 crore was released between May 2013 and October 2014. Thus, Department sanctioned excess grants-in-aid of ₹ 0.58 crore.

(b) Similarly, another firm from Sonapat district had applied (April 2013) for grants-in-aid for the setting up multi products, multi variable humidity cold storage chambers. It was observed (May 2016) that the Department had sanctioned a sum of ₹ 5 crore as grants-in-aid against the project cost of ₹ 14.76 crore which included ineligible components of civil work of ₹ 2.58 crore. Inclusion of ineligible items resulted in excess sanction of grants-in-aid of ₹ 0.74 crore<sup>30</sup>.

The Department stated (July 2016) that items were eligible for grants-in-aid. The reply is not tenable as these items were not eligible as per scheme guidelines.

#### **3.7.2.2 Release of installment in violation of scheme guidelines**

A maximum grants-in-aid of ₹ 50 lakhs was to be released under the scheme “Technology upgradation/establishment/modernisation of Food Processing Industries” for establishment of new food processing units and technology

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<sup>29</sup> (i) Ante Room Wall-₹ 9.22 lakh, (ii) Rest Room and Amenities-₹ 6.38 lakh, (iii) Rest Room Electric Installation-₹ 2.40 lakh, (iv) Water System-₹ 3.50 lakh, (v) External Wall-₹ 61.39 lakh, (vi) Partition Wall-₹ 34.44 lakh - (Total= ₹ 117.33 lakh)

<sup>30</sup> ₹ 1,476 lakh (Project Cost)- ₹ 258 lakh (ineligible items as per Guidelines)= ₹ 1,218 lakh; 35 per cent of 1,218= ₹ 4.26 crore; Total Sanctioned by Department=₹ 5.00 crore-₹ 4.26 crore (Eligible GIA)= ₹ 0.74 crore (excess release of GIA).

upgradation and expansion of existing units. The first installment was to be released after utilisation of 50 per cent of the loan and 50 per cent of promoter's contribution. Second installment of the grant was to be released only after confirming the commencement of commercial production through physical verification by the State Mission Directorate, National Mission on Food Processing and submission of utilization certificate. The projects were to be completed within 12 months from the date of the issue of approval letter. In case, the project is not completed within the stipulated time, State Level Empowered Committee had the authority to recall the grants-in-aid.

Scrutiny of records showed that a grants-in-aid of ₹ 29.52 lakh was sanctioned (12 March 2013) to a private firm from Palwal (Faridabad) and the first installment of ₹ 14.76 lakh was released on 14 March 2013. The project was to be completed by March 2014. However, the company had not submitted the requisite document that the project has been commissioned. Joint Director, District Industries Centre, Palwal intimated to Mission Director that during visit (11 March 2014) the plant was found closed.

The Department stated (July 2016) that the proprietor was not able to pay few installments of term loan availed from the bank and the bank had not issued requisite certificate which was required for availing second installment of grants-in-aid. The Joint Director, DIC Palwal had conducted inspection in May 2015 and found that plant and machinery was installed in the unit except some machineries. The fact remains that the installment of grants-in-aid was released to the firm in violations of the conditions of grants-in-aid as neither production was started nor utilisation certificate was furnished by the firm.

### **3.7.2.3 Non-achievement of targets for conducting training**

Scheme for Food Processing Training Centre (FPTC) was started for development of rural entrepreneurship and transfer of technology for processing of food products by utilizing locally grown raw material. Grants-in-aid was to be released in two installments. The second installment was to be released within six months of release of first installment. FPTCs were to impart training to at least 50 trainees per year with minimum of two batches per year for the next ten years. These FPTCs were to obtain license under Food Safety and Standards Act, 2006 (FSSAI) for food processing activities.

Scrutiny of records showed that grants-in-aid of ₹ 24 lakh was disbursed to four institutions for conducting training for food processing activities under the scheme during 2013-15. Against the target of 500 trainees, these institutions had imparted training to only 275 (55 per cent) trainees during September 2013 to March 2016. One of the institutes at Panipat did not have FSSAI license for conducting food processing training. Despite this, the Department provided grants-in-aid to the agency in violation of scheme guidelines. Moreover, second installment of grants-in-aid was released to the agencies with a delay period of one to two years. Further, even after incurring expenditure of ₹ 24 lakh on Food Processing Training Centre, the institutes could not achieve the training targets.

The Department stated (July 2016) that there is no need of FSSAI certificate as the said FPTC was engaged in bakery processing. The Department added that there was no shortfall in achievement of target and cumulative achievement is more than the target. The reply is not tenable as FSSAI certificate is mandatory for selling the food products in the market as per the guidelines issued by the Union Ministry of Food Processing Industries. Further, contention of the Department that cumulative achievement was more than the target is also not correct as the achievement of targets was to be counted from the release of second installment or on completion of six months of release of first installment, whichever is earlier.

#### **3.7.2.4 Irregularities in conducting Entrepreneurship Development Programmes**

Entrepreneurship Development Programmes (EDPs) were to be conducted for providing training to establish food processing industries. As per guidelines, duration of Entrepreneurship Development Programme was four weeks which included field visits, project formulation, works related to financial assistance and assessment of need for higher training. Each Entrepreneurship Development Programme was to have 25 to 35 trainees for Entrepreneurship Development and at least 50 *per cent* of these trained persons were required to set up their processing units. Grants-in-aid up to ₹ three lakhs per Entrepreneurship Development Programmes was to be released in three installments<sup>31</sup>. The follow-up phase was to be continued for a period of twelve months and more during this period. An independent evaluation of completed Entrepreneurship Development Programmes after two years was required to be done by an independent professional organisation selected by the State Mission Directorate.

Scrutiny of records showed that an expenditure of ₹ 1.41 crore was incurred for conducting 82 Entrepreneurship Development Programmes by seven institutions during 2012-16. Audit observed the following:

##### **(i) Non-achievement of targets**

Twenty four EDPs conducted by four agencies had imparted Entrepreneurship Development Programmes training to 717 trainees of which at least 358 trainees were required to set up their own units. But only 156 trainees could set up their units thereby leaving a shortfall of 202 units.

Moreover, 10 Entrepreneurship Development Programmes were conducted for SC/ST by North India Technical Consultancy Organisation Ltd. and one Entrepreneurship Development Programme by National Institute of Food Technology Entrepreneurship & Management during 2014-15 and grants-in-aid of ₹ 1.41 crore was released to these institutions for conducting EDPs but both these

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<sup>31</sup> (i) 50 *per cent* as advance on approval of the proposal; (ii) 25 *per cent* on completion of EDP and (iii) 25 *per cent* on completion of follow-up action.



institutes could not complete the follow up process even after one year of completion of training.

Thus, the Department failed to achieve the targets and objective of the scheme to set up their own units could not be achieved.

The Department stated (July 2016) that less achievement of targets is due to non-motivation of the trainees by the organizations for setting up food processing units and added that the Department is pursuing with the organizations to achieve the targets.

**(ii) Non-recovery of grants-in-aid**

A firm was given (March 2013) grants-in-aid of ₹ two lakh for conducting EDPs at Palwal and Mewat. During an inspection (August 2014) conducted by Joint Director, District Industries Centre, Palwal, it was found that six persons out of 26 persons who were shown as trained had stated that they had not been given any training by this Institute. The Department recalled the grants-in-aid with interest from this Institute during October 2015 but no recovery has been made so far (July 2016).

The department stated (July 2016) that efforts for recovery of grants-in-aid are being made.

**3.7.3 Conclusion**

The objectives of the schemes could not be substantially achieved as claims of ₹ 182.90 crore for disbursement under the schemes remained pending. Grants-in-aid under the cold chain scheme was provided to only three industrial units while there was excess sanction of grants-in-aid of ₹ 1.32 crore due to non-exclusion of ineligible items and non-recovery of interest free loan of ₹ 26.23 crore. Besides, targets of FPTC and EDP were not achieved even after incurring expenditure of ₹ 1.65 crore.

**Labour Department**

**3.8 Delay in construction of Workers' Facilitation Centres**

**Failure of the Board to take over physical possession of site led to delay in construction of Workers Facilitation Centres at Kundli and Rai and blocking of funds of ₹ 10.44 crore and loss of interest of ₹ 1.32 crore.**

The Haryana Building and Other Construction Workers Welfare Board requested (October 2009) the Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) to allot sites at Kundli and Rai for establishment of Workers Facilitation Centres (WFCs) to provide short term modular training to the workers, crèches for their children, health facilities to the beneficiaries of the Board and their dependents and improvement of safety at work sites.

HSIIDC offered (August 2010) two sites measuring approximately 2,025 square metres each at the rate of ₹ 6,325 per square metre and requested the Board to deposit ₹ 25.62 lakh towards 10 *per cent* application money which was deposited by the Board in October 2010. On receipt of application, the HSIIDC issued (March 2011) letters of allotment to the Board for both the sites measuring 2,100 and 2,016 square metres for consideration money of ₹ 2.61 crore (₹ 1.33 crore and ₹ 1.28 crore for Kundli and Rai respectively) and the balance amount was paid during April and May 2011 to HSIIDC. As per the Letter of Allocation, construction was to be completed within a period of four years from the date of offer of possession of the site. Extension for construction was permissible for further three years on yearly basis after payment of extension fee and in case of non compliance of this condition within the extended period, site was liable to be resumed.

The Board directed (June 2011) the Assistant Director, Industrial Safety and Health (AD, IS&H), Sonipat to take physical possession of the sites under intimation to Board and also send the dimensions and zoning plans of the sites. The Board requested (August 2011) to HSIIDC to furnish zoning plan of the site. On receipt of zoning plans from HSIIDC in September 2011, the Board approached (December 2011) the Chief Architect, Haryana for preparation of layout plan which was subsequently received from Chief Architect on 29 May 2013 and approved by the competent authority of the Board in March 2014. Rough cost estimates for construction of WFCs were forwarded by the Public Works Department, Buildings and Roads (PWD) in July 2014 to the Board and administrative approvals accorded by the Government in October 2014. Funds of ₹ 10.44 crore were transferred to PWD in December 2014 to execute the works.

However, the project could not progress further as the Board had yet to take over physical possession of the sites. PWD requested (March 2015) the Board to hand over possession of the sites as they had completed the process for construction of WFCs and the Board directed (April 2015) AD (IS&H), Sonapat after a period of four years from the date of issue of letters of allotment to send a complete report regarding physical possession of the sites. Meanwhile, the PWD allotted (September 2015) the works to a contractor with the condition to complete the work within 12 months. The possession of the site at Kundli and Rai was actually taken over by the Board during January and June 2016 i.e. after 56 and 62 months from the date of issue of Letters of Allotment and the sites were handed over to PWD (B&R) on the same dates of taking over of possession from HSIIDC respectively.

Audit observed that failure of the Board to ensure taking over of the site for over four years resulted in delay in implementation of the project and blocking

of ₹ 10.44 crore besides loss of interest of ₹ 1.32 crore<sup>32</sup>. Further an amount of ₹ 4.82 lakh has also been paid (December 2015) by the Board as extension fee due to non construction of the sites by March 2015 in terms of the allotment letter.

The Department stated (July 2016) that physical possession of both the sites has been taken (January/June 2016) and official proceedings to enquire into the reason for delay in taking the possession were being initiated.

The matter was referred to the Government in July 2016. Reply has not been received (December 2016).

### Medical Education and Research Department

#### 3.9 Avoidable payment of Service Tax

**Four medical institutions made avoidable payment of ₹ 6.59 crore on account of service tax though these institutions were exempted by Government of India being educational institutions.**

As per the Indian Medical Council Act, 1956, medical institution means any institution which grants degrees, diplomas or licenses in medicine. The Department of Revenue, Ministry of Finance, Government of India, exempted (June 2012) certain services provided to or by educational institutions from service tax with effect from 1 July 2012. The Department clarified in September 2013 that exempted services includes any services which educational institutions ordinarily carry out themselves but may obtain as outsourced services from any persons. The notification was further amended in July 2014 to include the house-keeping services performed in such educational institution.

Scrutiny of the records of Bhagat Phool Singh Government Medical College for Women (BPSG), Khanpur Kalan (Sonipat), Shaheed Hasan Khan Mewati Government Medical College (SHKM), Nalhar (Mewat), Pandit B.D. Sharma Post Graduate Institute of Medical Sciences (PGIMS) and Pandit B.D. Sharma University of Health Sciences (UHS), Rohtak, revealed that these institutes engaged four service providers between July 2012 and August 2014 for providing security, housekeeping, sanitation works, helpers and bearer services in these institutes. An amount of ₹ 6.59 crore was paid to the agencies as service tax between July 2012 and August 2016 for providing the above services which could have been avoided had the notifications issued by GOI been implemented.

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Period	Prevailing rates of interest on FDR in bank (per cent) per annum	Amount deposited with PWD (₹)	Loss of interest (₹)
16.12.14 to 31.03.2015 (3.5 months)	9.00	10,44,37,000	27,41,471
01.04.2015 to 31.03.2016 (12 months)	8.25	10,44,37,000	86,16,052
01.04.2016 to 30.06.2016 (3 Months)	7.00	10,44,37,000	18,27,647
<b>Total</b>			<b>1,31,85,170</b>

(Source: Loss of interest calculated on the basis of rate of interest given by various banks on the deposited amount of FDRs of the Board)

On being pointed out, the hospital authorities stated that steps were being taken to recover the amount of service tax paid to the service providers.

The matter was referred to the Government in July 2016. Reply was awaited (December 2016).

### 3.10 *Extra expenditure due to injudicious allotment of works*

**Allotment of works valued at ₹ 8.57 crore by Maharaja Agrasen Medical College without ascertaining the credentials and work experience of the agency and without getting the balance work done at the risk and cost of the defaulting agency as provided for in the contract resulted in extra expenditure of ₹ 2.06 crore.**

Maharaja Agrasen Medical College (MAMC), Agroha invited tenders (July 2011) for two works viz. “Construction of Nursing Hostel (90 Rooms)” and “24 Type-II Houses” at an estimated cost of ₹ four crore and ₹ 2.60 crore with completion period of ten and eight months respectively. As per the terms and conditions of the notice inviting tenders, the tenderers were required to submit requisite documents such as TIN and PAN numbers, valid copy of enlistment letter, list of machinery and list of similar nature of works executed during the previous three years.

Scrutiny of records (May 2015) of the office of Director, MAMC, Agroha, showed that both the works were allotted (August and September 2011) by MAMC to an agency at ₹ 5.32 crore and ₹ 3.25 crore. But, necessary documents like TIN number, list of machinery and list of similar works executed during previous three years were not obtained. The agency left both the works incomplete in October 2012 and February 2013 after executing part of the works to the extent of ₹ 1.19 crore and ₹ 1.38 crore. Due to failure of the agency to complete the works, compensation at the rate of 10 *per cent* amounting to ₹ 0.53 crore and ₹ 0.33 crore was levied (May 2013) on the awarded cost of works and it was further decided to get the balance works executed at the risk and cost of the agency (May 2013). The agency went (January/February 2014) into arbitration which they subsequently withdrew (May 2015) without assigning any reasons on record. Balance works were finally executed in December 2014 and January 2015 from two other contractors at a cost of ₹ 7.68 crore and ₹ 3.05 crore respectively. After adjusting actual scope of works allotted to two contractor, MAMC had to incur extra expenditure of ₹ 2.06 crore<sup>33</sup> (₹ 1.73 crore + ₹ 0.33 crore). Thus, allotment of works without obtaining details of past experience of the agency in execution of similar works as envisaged in the notice inviting tender and subsequently not completing the balance works at his risk and cost as per the contract agreement led to extra expenditure of ₹ 2.06 crore.

The matter was referred to the Government in May 2016. Reply was awaited (November 2016).

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<sup>33</sup> ₹ 2.25 crore (Total extra expenditure on both works) - ₹ 0.19 crore (adjusted on account of security deposit).

### 3.11 Improper evaluation of bids

**Failure to properly evaluate financial bids submitted by service providers taking into account the total financial implications of the quotations submitted resulted in award of work to Firm that was not the lowest bidder and excess payment of ₹ 1.51 crore in Shaheed Hasan Khan Mewati Government Medical College, Nalhar, Mewat.**

Government of Haryana issued (February 2009) a policy for outsourcing of services/activities according to which services/activities were to be outsourced as and when required by departments where posts had not been sanctioned and the persons were to be engaged on minimum wages<sup>34</sup> and statutory charges<sup>35</sup>.

Scrutiny of records of Shaheed Hasan Khan Mewati Government Medical College (GMC), Nalhar, Mewat showed that tenders were invited in May 2014 under double bid system for deployment of housekeeping staff<sup>36</sup> and the bidders were required to quote the rate per person per month inclusive of minimum wages plus EPF, ESI and service tax and percentage of the service charges of bidder. The rates quoted by the bidders were to be frozen for a period of two years. In response, eight bidders submitted their technical and financial bids. Technical bids were opened (June 2014) by a Committee constituted under the Chairmanship of the Medical Superintendent and technical bids of two bidders were rejected as experience certificates were not attached. The financial bids of the remaining six bidders were opened in July 2014. Firm 'A' quoted his rates on Minimum Wages plus statutory taxes and service charges at 2.01 *per cent* whereas Firm 'B' quoted the lump sum rates per month for different categories of post<sup>37</sup> plus service charges at the rate of 2.01 *per cent*. The lump sum rates of wages quoted by Firm 'B' were higher<sup>38</sup> than the minimum wages and statutory charges. The committee recommended issue of work order in favour of Firm 'B' on the ground that both financial bids had quoted the same rates but Firm 'B' had six years more experience than Firm 'A'<sup>39</sup>. The recommendation was forwarded (August 2014) to the Director, Medical Education and Research, Haryana for approval which was accepted and the work was allotted to Firm 'B' in August 2014 for one year which was extended up to 31 March 2016 or till the finalization of e-tendering.

Audit observed that the notice inviting tender stipulated that in case of financial bids of the two bidders quoting same rate (qualified for L-1), the work will be allotted to agency/service provider who has significant experience (time period)

<sup>34</sup> Un-skilled: ₹ 8,100 per month; Semi-skilled: ₹ 9,000 per month; Skilled: ₹ 9,900 per month.

<sup>35</sup> Employee Provident Fund and Employees State Insurance contribution.

<sup>36</sup> Ward Attendant, Plumber, Electrician, Painter, Lift Operator, Tailor, Data Entry Operator, Carpenter and any other skilled/semi-skilled/unskilled worker.

<sup>37</sup> Unskilled: ₹ 13,062; Semi-skilled: ₹ 14,458.41 and Skilled: ₹ 15,854.80.

<sup>38</sup> Unskilled: ₹ 3,475; Semi-skilled: ₹ 3,806 and Skilled: ₹ 4,136.

<sup>39</sup> Firm A had experience of 3 years and firm 'B' had experience of 9 years.

of satisfactory work done in the related areas in the institutes or on draw of lots basis. The Committee had compared only the service charges rates quoted by these bidders which were identical at 2.01 *per cent* and thereafter applied the criteria of experience instead of working out total financial implications of the bids on the basis of rates of wages quoted by these bidders. As the rates of wages quoted by Firm 'B' were higher than the minimum wages and statutory charges which were quoted by the Firm 'A', the lowest bidder was Firm 'A'. Thus, evaluation of bids was not properly done and resulted in award of work to a firm that was not the lowest bidder. The allotment at higher rates to Firm 'B' resulted in excess payment of ₹ 1.51 crore (**Appendix 3.2**) during the period from September 2014 to May 2016.

The Director, GMC Nalhar (Mewat) stated (December 2016) that the Firm 'B' had deposited an amount of ₹ 61.15 lakh in November and December 2016 with the college and Firm has been directed (November 2016) to refund the remaining excess paid amount along with interest in four monthly installments. The fact remains that the award of work to a bidder that was not the lowest was *ab-initio* incorrect.

The matter was referred (July 2016) to the Government. Their reply was awaited (November 2016).

### Public Works Department (Buildings & Roads)

#### 3.12 Implementation of Pradhan Mantri Gram Sadak Yojna

**There were cases of delays in completion of works, short release of funds by Government of India and State Government. Besides, there were cases of non-recovery of liquidated damages and mobilization advance. Contractors had not provided insurance cover of road works.**

##### 3.12.1 Introduction

Rural road connectivity is a key component of rural development. Government of India (GOI) announced (December 2000) the Pradhan Mantri Gram Sadak Yojana (PMGSY-I) to provide all weather access to eligible unconnected habitations. For consolidating the entire rural road network by upgrading through-routes<sup>40</sup> and some major rural links, a new intervention was evolved in August 2013 (PMGSY-II) for the States and Union Territories who had achieved 100 *per cent* new connectivity and 75 *per cent* of upgradation works under PMGSY-I.

The Haryana Rural Roads Infrastructure Development Agency (HaRRIDA) registered on 10 January 2008 under the Societies Registration Act, 1860, was the implementing agency of the programme in the State. In the field, Project Implementation Units (PIUs) headed by Executive Engineers were responsible for

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<sup>40</sup> A road for passage.

execution of works. As against the availability of funds of ₹ 1,048.67<sup>41</sup> crore, an expenditure of ₹ 963.50 crore was incurred during 2010-16. With a view to assessing whether the implementation of the programme was with reference to extant rules, regulations, codal provisions and programme guidelines, records of 32 out of 56 works in seven<sup>42</sup> out of 21 districts for the period 2010-16 were scrutinized during May 2015 to October 2015. The districts were selected by applying Probability Proportional to Size Without Replacement (PPSWOR) and works were selected by adopting Simple Random Sampling Without Replacement (SRSWR).

### **3.12.2 Financial management**

#### **3.12.2.1 Short release of funds by GOI and State Government**

The PMGSY guidelines provides that the funds for the cleared value of projects will be made available to HaRRIDA in two installments. Scrutiny of records of HaRRIDA revealed that 83 road works and 18 bridge works were approved (May 2014) with a total project cost of ₹ 917.45 crore (Central share ₹ 651.51 crore and State share ₹ 265.94 crore). As against Central share of ₹ 651.51 crore, ₹ 548.97 crore were released by GOI up to March 2016. Out of this, ₹ 521.27 crore were released by the State Government to HARRIDA and balance ₹ 27.70 crore was retained by the State Government. Further, State Government had released ₹ 221.42 crore as against its share of ₹ 265.94 crore and balance share of ₹ 44.52 crore had not been released (September 2016).

The Department stated (September 2016) that balance funds would also be released by GOI and State Government as per total project cost sanctioned for execution of various works.

#### **3.12.2.2 Records of unknown debits not available**

A perusal of the bank reconciliation statements revealed that there were unknown debits of Programme Fund of ₹ 4.93<sup>43</sup> crore during 2010-11 to 2012-13. In the absence of details of debit entries, the purpose for which the expenditure was incurred could not be known and chances of misappropriation of funds cannot be ruled out.

The Department stated (September 2016) that the unknown debits had been cleared in subsequent years. The reply is not tenable as records such as vouchers in support of reconciliation of unknown debits were not available with the Department. Further reference was made to HaRRIDA (October 2016) to furnish the related records but neither records nor reply had been furnished (November 2016). The department should investigate these unknown debit entries and bring them on record to obviate chances of misappropriation of funds, if any.

<sup>41</sup> Opening balance: ₹ 7.51 crore, Interest: ₹ 28.98 crore, GOI grants: ₹ 739.02 crore, State Government Grant: ₹ 245.38 crore and Security ₹: 27.78 crore.

<sup>42</sup> (i) Panipat, (ii) Kaithal, (iii) Hisar, (iv) Sirsa, (v) Jhajjar, (vi) Gurgram and (vii) Yamunanagar

<sup>43</sup> 2010-11: ₹ 2.73 crore, 2011-12: ₹ 1.21 crore and 2012-13: ₹ 0.99 crore

### **3.12.3 Execution of works**

#### **3.12.3.1 Non-achievement of targets**

The Union Ministry of Rural Development approved (May 2014) 83 rural roads works under PMGSY-II. For monitoring the implementation of the scheme, GOI developed On-line Management, Monitoring and Accounting System (OMMAS). State Government was made responsible for updating the data regarding the execution of the works on OMMAS.

Scrutiny of the data in the OMMAS and that provided by the Department showed that 82 out of 83 works had been completed. Further, scrutiny of the records revealed that full length as indicated in the projects was not completed in respect of 11 projects which included 10 projects (Sr. 1 to 10 of **Appendix 3.3**) which were shown as completed in OMMAS. In test-checked cases, it was observed that two works were not completed as discussed in paragraph 3.12.3.2 but these works were shown as completed in the OMMAS. Thus, the veracity of data uploaded in the OMMAS could not be assured in audit.

#### **3.12.3.2 Delay in completion of works**

The PWD Code stipulates that required clearances, re-location of utilities and securing of permits should be obtained before commencement of the works and no work shall be commenced unless required clearances are obtained.

Out of 32 works test-checked, seven works were completed with delays ranging between three to 29 months while seven works were still under execution. The delays were mainly due to non-clearance of site, shifting of electricity poles and ban on mining which should have been known and addressed before taking up the projects. Two works where execution of works was in progress are discussed below.

(i) Work of upgradation of Haily Mandi-Farrukh Nagar road via Mehchana in Gurugram District was allotted (February 2014) to an agency at an cost of ₹ 9.53 crore. The work was to be completed within 12 months. Scrutiny of records of Provincial Division No.2, Gurugram revealed that the agency could not complete the drain work for want of clearance/permission from the Forest Department as of September 2016. An expenditure of ₹ 4.20 crore was incurred upto March 2016 on the work. The case was referred to the Forest Department only in January 2015 whereas the work was allotted to the agency in February 2014. Forest clearance had not yet been received (August 2016).

(ii) Work of upgradation of Panchgaon to Farrukhnagar road via Jamalpur in Gurugram district was allotted (February 2014) to an agency at a cost of ₹ 12.69 crore and was scheduled to be completed by March 2015. The agency could not complete the work for want of clearance from the Forest Department despite spending ₹ 7.28 crore upto September 2016. The case for permission was referred to the Forest Department only in January 2015 whereas the work was allotted in February 2014. Forest clearance had not yet been received (August 2016).



The Department stated (September 2016) that in most of the PMGSY works, upgradation and strengthening of roads was involved and there were few cases where clearance from Forest Department and the utility shifting was involved that too in small stretches of the roads. Therefore, it was not prudent to halt the whole project for these small bottlenecks. The reply was not tenable as requisite clearances were required to be obtained before commencement of the works as per the PWD Code and failure to do so had only resulted in delay in their completion and denial of the intended benefits of road connectivity to the intended beneficiaries.

### ***3.12.3.3 Maintenance of roads***

The PMGSY guidelines provides that all PMGSY roads would be covered under five years maintenance contracts to be entered into along with the construction contract with the same contractor. Further, if the contractor does not maintain the roads during maintenance period, the engineer will assess the cost and get the work executed and recover the amount from the contractor.

Audit observed that upgradation of Kalawali-Baragudha-Sahuwala road upto NH-10 was done in June 2012. The Executive Engineer pointed out (July 2014) to the contractor that the road was not being maintained and patches on the road had developed and berms of the roads required dressing in many reaches. The maintenance work was not carried out by the contractor as of November 2016. The Department had not taken any action for maintenance and removal of defects through a third party at the risk and cost of the defaulting contractor as provided for in the agreement and the required maintenance of roads remained unattended.

### ***3.12.4 Contract management***

#### ***3.12.4.1 Non-recovery of liquidated damages***

The work of upgradation of road from Masitan to Dabwali via Chautala in district Sirsa was allotted (January 2010) to an agency for ₹ 3.50 crore and was to be completed by December 2010.

As the agency did not start the work, the agreement was rescinded in September 2011. A total of ₹ 70 lakh<sup>44</sup> was recoverable as liquidated damages from the agency. No action was taken to recover the amount except encashment of bank guarantee of ₹ 17 lakh.

The Department stated (September 2016) that letters had been written to all EEs in the State to recover the money from any of the ongoing works of the agency under their jurisdiction and process of referring the matter to the Empowered Standing Committee had also been started.

#### ***3.12.4.2 Non-recovery of mobilisation advance***

The PWD Code provides that an interest bearing mobilization advance to the

<sup>44</sup> 20 per cent of value of contract as per clause 44.1 and 52.1 of the agreement.

extent of 5 per cent of contract value can be given to contractor against unconditional and irrecoverable bank guarantee. The recovery of mobilization advance together with interest will be made through percentage deduction from interim/running payments in the manner prescribed in the contract. It shall be desirable to recover the total amount of mobilization advance along with interest within 80 per cent of time stipulated for completion.

Scrutiny of the records of divisions of test-checked district revealed that the recovery of mobilization advance of ₹ 1.06 crore was not made by Provincial Division Yamunanagar despite lapse of 80 per cent of stipulated time period for execution of works as given in **Table 3.3** below:

**Table 3.3: Details showing non-recovery of mobilisation advance**

(₹ in crore)						
Name of work	Name of agency	Stipulated month for completion of work	Month of payment of mobilisation Advance	Mobilisation advance paid	Recovered	Balance as on September 2016
Ladwa to Bilaspur road	New India Construction Company	August 2015	September 2014	1.39	0.33	1.06

(Source: Compiled from Departmental records)

Time extension had not yet been granted to the executing agency (September 2016). Though the divisional officer was empowered to encash the bank guarantee amounting to ₹ 1.39 crore taken against the mobilisation advance yet no action was taken to encash the bank guarantee.

#### **3.12.4.3 Insurance cover not provided**

Clause 13.1 of bidding document provides that the contractor at his cost shall provide, in the joint names of the employer and the contractor, insurance cover from the date of start to the date of completion for loss or damage of the works, plants and material, loss or damage to equipment and loss of or damage to property (except the works, plant, material and equipment) in connection with the contract and personal injury and death.

Insurance cover for the works executed in test checked divisions (except Provincial Division No. 1, Hisar) was not provided by executing agencies during 2010-16. These divisions had executed the works worth ₹ 191.98 crore during 2010-16. In the event of any mishap, the Department would not be able to recover the loss.

The Department stated (February 2016) that instructions had been issued to all the Project Implementing Units (PIUs) for compliance of the clause of the agreement.

#### **3.12.5 Conclusion**

While the implementation of the scheme in general was satisfactory in physical terms, there was short release of funds by GOI and State Government, delay in completion of works, non-recovery of liquidated damages and mobilization advance. Further, insurance cover of roads works was not provided by the contractors.

### 3.13 Excess payment to agencies

**Non-verification of the quantities in bills with the entries in measurement book and lack of internal control checks such as reconciliation of connected records and rates of bitumen led to adoption of increased quantities and wrong calculation of difference of rates of bitumen resulting in excess payment of ₹ 1.17 crore to ten agencies.**

The PWD Code provides that payment for work done shall be made on the basis of measurements and that Engineer-in-Charge will check the bill and make interim payment for value of work done strictly in accordance with the terms and conditions of the contract.

Scrutiny of records of six divisions<sup>45</sup> revealed ((March 2014 to March 2016) excess payments of ₹ 1.17 crore to ten agencies in eleven road works as discussed below:

(i) The work “Construction of various District Roads under the Division in Ambala and Yamuna Nagar Districts ” containing 49 village roads was awarded in February 2014 to an agency for ₹ 7.09 crore with capping condition<sup>46</sup>. The agency was paid ₹ 7.13 crore through 6<sup>th</sup> and final bill in April 2015.

During examination of records and entries made in Measurement Books, it was noticed that while preparing 5<sup>th</sup> and running bill in the Measurement Book, the quantities of item “Providing and laying first coat on Surface Dressing including rolling with road roller” were carried forward as 98,550.02 sq mtr instead of 9,855.02 sq mtr which increased the quantities of this particular item by 88,695 sq mtr resulting in excess payment of ₹ 53.29 lakh to the agency in October 2014. This error also continued in the 6<sup>th</sup> and final bill of the work paid in April 2015.

On being pointed by audit, the EE recovered the amount of ₹ 59.06 lakh<sup>47</sup> (including interest) from the agency between December 2015 and June 2016 with interest.

The Department stated (September 2016) that excess payment of ₹ 53.29 lakh was made inadvertently as the quantity of 9,855.02 sq mtr was taken as 98,550.02 sq mtr and error was un-intentional.

<sup>45</sup> Provincial Division, Naraingarh; Provincial Division, Palwal; Provincial Division, Panchkula; Provincial Division, Charkhi Dadri; Provincial Division No. 3 (NH), Rohtak and Construction Division, PWD B&R, Chandigarh.

<sup>46</sup> The agency will be paid lowest of the following in all running and final bills:

- a. Amount calculated with the accepted rates of the lowest agency.
- b. Amount worked out with the rates of L-2.
- c. Amount worked out with the accepted percentage of Haryana Schedule of Rates+Ceiling Premium/analytical rates/Non-Scheduled item rates worked out in the financial statement.

<sup>47</sup> ₹ 59.06 lakh=excess amount : ₹ 53.29 lakh + interest: ₹ 5.77 lakh

The reply is not tenable as 825.809 Metric Ton bitumen was also shown as consumed for the work while only 738 Metric Ton bitumen was brought to the site. Thus, failure of the department to exercise prescribed checks in regard to assessment of work as per Measurement Book and non-reconciliation of the consumed bitumen with the bitumen brought to the site led to excess payment of ₹ 53.29 lakh to an agency.

(ii) As per terms and conditions of the agreements entered into with nine contractors (between May 2012 and May 2014) in ten road works, the rates of bitumen at the refinery on the date of close of financial bidding were to be considered as base and if during execution of the works, the rate of bitumen increases or decreases at refinery, the difference in cost was payable/ recoverable i.e. escalation/de-escalation from the contractors.

Audit noticed that while calculating the escalation amount, only the base rates i.e. rates of bitumen at the refinery on the date of close of financial bid were taken and State specific/ statutory charges were not included in these rates. This resulted in excess payment of ₹ 63.68 lakh as detailed in *Appendix 3.4*.

On being pointed out, the department made recovery of ₹ 44.25 lakh. However, balance ₹ 22.02 lakh (excluding interest) is yet to be recovered from the concerned agencies (November 2016).

The Department stated (September 2016) that the invoice of bitumen at the time of close of financial bidding was not available so basic rates of bitumen was taken from the website of Indian Oil Corporation Ltd. Further, while calculating the amount of escalation, basic rates were taken from invoices.

Thus, non-verification of the quantities in bills with the entries in measurement book and lack of internal control checks such as reconciliation of connected records and rates of bitumen led to adoption of increased quantities and incorrect calculation of difference of rates of bitumen resulting in excess payment of ₹ 1.17 crore<sup>48</sup> to the agencies out of which, ₹ 1.03 crore<sup>49</sup> (including interest) have been recovered (November 2016).

### **3.14 Unfruitful expenditure on incomplete work**

**Award of work to the agency on the basis of a single tender coupled with delayed action to enforce terms of the agreement for continuous delay on the part of the contractor in execution of the work ultimately resulted in unfruitful expenditure of ₹ 1.02 crore. The work which was scheduled to be completed in September 2013 was lying abandoned since July 2014. Further, undue financial benefit of ₹ 18.20 lakh was also extended to the agency by not levying the penalty as per agreement.**

As the PWD code, delay in completion of a contract beyond the time schedule may be caused by the employer or contractor or third party or force majeure. The

<sup>48</sup> ₹ 1.17 crore = ₹ 53.29 lakh + ₹ 27.02 lakh + ₹ 36.66 lakh

<sup>49</sup> ₹ 1.03 crore = ₹ 59.06 lakh + ₹ 44.25 lakh

consequences of delay are extension of time or imposition of liquidated damages or determination/ termination of the contract.

The State Government accorded administrative approval (January 2012) for construction of "Workshop Block under SC/ST scheme at Industrial Training Institute (ITI) at village Pali in Faridabad District at a cost of ₹ 3.01 crore". Open tenders were invited in July 2012 and only single bid was received. Subsequently, the tender of the work was recalled in August 2012 but no bids were received. The Superintending Engineer, Gurugram Circle, Public Works (B&R) Department (SE) and Executive Engineer, Provincial Division, Faridabad decided (October 2012) to open the tender received earlier in public interest to avoid delay. The work was subsequently allotted (November 2012) to the contractor by the SE (the employer) for ₹ 2.56 crore to be completed within nine months i.e. by September 2013.

Scrutiny of records of the Executive Engineer, Provincial Division, Faridabad (EE) showed that the progress of work was slow from the very beginning despite issuing four reminders during April-June 2014. As on July 2014, 40 *per cent* of the work had been completed and ₹ 93.46 lakh was paid to the agency. Thereafter, no work was executed (July 2014). The agreement stipulated that the contractor shall pay liquidated damages to the employer at the rate of 1/500 of the initial contract price for each day of delay in completion from the stipulated completion time subject to maximum 10 *per cent* of the contract price. An amount of ₹ 7.40 lakh was recovered up to October 2016 against the required penalty of ₹ 25.60 lakh (10 *per cent* of the contract price) and remaining amount of ₹ 18.20 lakh was yet to be recovered (November 2016).

Further, the agreement also provided that the employer or the contractor may terminate the contract if the other party causes a fundamental breach of the contract viz. the contractor stops the work for 20 days or when the contractor has delayed the completion of work by 30 days. Audit further noticed that the Executive Engineer had after a long gap of nearly one and half years requested (December 2015 and May 2016) the SE to terminate the agreement which was finally done in June 2016. Total expenditure of ₹ 1.02 crore<sup>50</sup> has been incurred on the work which proved unfruitful due to non-completion of the work.

The Department stated (September 2016) that the work has been terminated and a committee has also been constituted to measure the work done by the agency. The balance work will be allotted after calling tenders at the earliest.

Audit observed that opening of the earlier received single tender and award of work to the agency coupled with delayed action to enforce terms of the agreement for continuous delay on the part of the contractor in execution of the work ultimately resulted in unfruitful expenditure of ₹ 1.02 crore. The work which was scheduled to be completed in September 2013 was lying abandoned since July 2014. Further, undue financial benefit of ₹ 18.20 lakh was also extended to the agency by not levying the penalty as per agreement.

<sup>50</sup> Payment to agency ₹ 0.93 crore + Misc. expenditure ₹ 0.09 crore.

## Public Health Engineering Department

### 3.15 Incomplete Sewerage Scheme

**Failure of the department to ensure availability of land for all components of the project resulted in incomplete works despite expenditure of ₹ 10.59 crore and discharge of treated effluent into pond and Ellenabad distributory exposing the residents of the area to unhygienic conditions and health hazards.**

The Manual on Sewerage and Sewage Treatment issued in December 1993 by the Government of India, Ministry of Urban Development, provided that while designing waste water collection, treatment and disposal systems, planning was to generally begin from the final disposal point, going backwards to give an integrated and optimum design to suit the topography and the available hydraulic heads supplemented by pumping, if essential. Further, the PWD code stipulates that necessary investigation/ site survey should be conducted before undertaking any scheme so that the work could be completed within the specified period.

As per the Haryana Canal and Drainage Act 1974, the flow of any material which corrupts or fouls the water of any canal is prohibited. The State Government issued (July 2003) an order that nobody would be allowed to discharge any treated/untreated effluent or sewage effluent into any canal. Only treated effluent meeting with prescribed standards<sup>51</sup> shall be allowed to be discharged into drains with the permission of the competent authority.

A project for augmentation of disposal of sewerage for Ellenabad town was sanctioned in January 2010 for a cost of ₹ 15.82 crore by the State Government. As per the detailed project report, the treated effluent of the main Sewage Treatment Plant was to be disposed of by constructing brick masonry/ RCC carrier channel from main disposal works to Ghaggar River. The work<sup>52</sup> was allotted (October 2012) by Executive Engineer, Public Health Engineering Division No. 3, Sirsa to an agency for ₹ 9.99 crore with a time limit of 12 months.

Scrutiny of records showed that the agency completed the work of sewage treatment plant (May 2015) but the work of effluent carrier channel remained incomplete after incurring an expenditure of ₹ 0.20 crore as the farmers protested against the construction of the channel. In the absence of the effluent channel, the treated effluent with Biological Oxygen Demand (BOD) level between 16.4 and

<sup>51</sup> As per Haryana State Pollution Control Board, the permissible standard for discharge of treated water/ sewage in respect of BOD level is 3mg/ltr.

<sup>52</sup> Design, construction, erection, testing & commissioning of 11.5 MLD capacity main pumping station, 7.5 MLD capacity sewerage treatment plant based on moving bed biological reactor technology (attached growth process) complete in all respect including construction of treated sewerage carrier and all contingent Electrical, mechanical, piping and instrumentation works at main pumping station and sewerage treatment plant including at Ellenabad town district Sirsa.

18 was being discharged into a nearby pond for which BOD level should not be more than three (as per the standard adopted by Pollution Control Board). Thereafter, it was being released in the Ellenabad Distributory without any permission from the competent authority and in violation of Haryana Canal and Drainage Act 1974. No expenditure was incurred on account of land as the same was available free of cost from the Government/ Municipal Committee and total expenditure of ₹ 10.59 crore (including cost of sewage treatment plant) has been incurred on the project so far (December 2016).



**Incomplete sewerage scheme Ellenabad due to abandoned effluent channel (April 2016)**

The Department stated (August 2016) that the effluent channel has not been constructed due to strong protest/ objection raised by the farmers adjoining the alignment of the channel and now a technically sanctioned estimate for construction of effluent channel along-with balance work of the scheme has been sent (April 2016) to Government for administrative approval and arranging the funds.

Thus, failure of the Department to ensure availability of land for all components of the project resulted in incomplete works despite expenditure of ₹ 10.59 crore (including cost of sewage treatment plant) and discharge of treated effluent into pond and Ellenabad distributory exposing the residents of the area to unhygienic conditions and health hazards.

### **3.16 Unfruitful expenditure**

#### **Non-adherence to the prescribed checks led to pilferage of iron pipes and non-recovery of ₹ 1.19 crore on account of the pilfered material.**

As per the PWD (Buildings and Roads) Manual, the sectional in charge of the work i.e. Junior Engineer is required to maintain accounts of all the stock and Tools and Plant in his charge, their receipts and issue, register of Material at Site and ensure that no damage takes place to the Government property in his charge. He is also required to keep a vigilant control over expenditure and report the progress of work to his Sub-Divisional Officer either daily or periodically as may be ordered. The Haryana PWD Code also provides for blacklisting of an agency if found guilty of malpractices such as pilfering or unauthorized use or disposal of Government material issued for specific works.

In order to address the problem of shortage of drinking water and to make raw water arrangements, the Public Health Engineering Division, Charkhi Dadri allotted five works of rural water supply to contractors at a cost of ₹ 2.02 crore

during September 2012 to December 2013 and the pipes were to be supplied by the Department. The works were scheduled to be completed between October 2012 and March 2015. Total estimated cost of the works was ₹ 16.07 crore including the cost of material.

Scrutiny of records showed that 68 *per cent* ductile iron pipes were issued (December 2012 to October 2014) in advance of requirement to the respective contractors/ agencies of the above schemes. The contractors/ agencies did not adhere to the time schedule for completion of works and left the works incomplete. The Department levied compensation (July 2014 to March 2015) of ₹ 20.16 lakh as per the contract agreements and also withdrew the work from the contractors/ agencies. An expenditure of ₹ 8.57 crore had been incurred on these works (June 2016).

While making final measurement for preparing final bills of these works to get the balance work executed at the risk and cost of the agencies, it was noticed that DI pipes of various sizes issued to these works amounting to ₹ one crore (recoverable amount of double of issue rate of material and storage charges at the rate of 3 *per cent* as per contract agreement amounting to ₹ 2.03 crore) were missing/ pilfered from the site of the works.

The cost of DI pipes with penal rates (recovery at the double of issue rate of material and storage charges at the rate of 3 *per cent* as per contract agreement) amounting to ₹ 1.54 crore<sup>53</sup> had been placed in Miscellaneous Public Works Advances of the contractors. However, amount of ₹ 0.35 crore has been recovered/adjusted from the running bills/security of the defaulting agencies.

The Department stated (December 2016) that an amount of ₹ 1.19 crore has been placed in Miscellaneous Public Works Advances against the contractor concerned and balance amount has been recovered. However, the fact remains that amount of ₹ 1.19 crore<sup>54</sup> has not yet been actually recovered.

## Science and Technology Department

### 3.17 Non deposit of interest amount in Government Account

**The Department of Science & Technology remitted ₹ 14.66 crore to the Haryana State Council for Science and Technology for setting up of Science City without identifying site or availability of land. The funds remained outside Government accounts for more than six years till it was re-deposited at the instance of audit. However, interest earned amounting to ₹ 10.37 crore by the Council has not yet been deposited in the Government account.**

As per the Punjab Financial Rules, no money should be drawn from the treasury unless it is required for immediate disbursement or has already been paid out of

<sup>53</sup> ₹ 1.54 crore = 2 times of ₹ 0.76 crore (penal rate) + ₹ 0.02 crore (3 *per cent* storage charges).

<sup>54</sup> ₹ 1.19 crore = ₹ 1.54 crore – ₹ 0.35 crore.



the permanent advance. It is not permissible to draw advance from the treasury for the execution of projects the completion of which is likely to take a considerable time.

Government of India (GOI), Ministry of Culture launched a scheme for setting up of Science Cities with the objective of portraying the growth of science and technology and their application in industry and human welfare with a view towards developing a scientific attitude and to popularize science in the urban and rural areas. Central assistance for new Science Cities was limited to ₹ 30 crore (60 per cent out of total of ₹ 50 crore), which was revised (June 2013) to ₹ 66 crore (60 per cent out of total of ₹ 110 crore). The balance cost was to be borne by the State Government. As per eligibility criteria for setting up Science Cities, the location of Science Cities should be either the State Capital or an important city of the State having a sizeable population of not less than 50 lakh inclusive of population in its vicinity and should draw at least 10 lakh visitors per year. The State Government was to provide at least 25 acres of centrally located and easily accessible fully developed land without any encumbrances free of cost.

Test check of records of Haryana State Council for Science and Technology, Panchkula, showed that a Science City was proposed (December 2009) to be set up at Rohtak and the State Government made efforts<sup>55</sup> to find suitable land for its establishment. In the mean time, the Financial Commissioner and Principal Secretary to Government of Haryana, Science and Technology Department released (March 2010) grants-in-aid of ₹ 14.66 crore for setting up the Science City at Rohtak without ensuring its eligibility and availability of appropriate land as per the scheme guidelines. The amount was drawn by the Department in March 2010 and transferred to the Council.

In July 2010, the Municipal Committee Sampla offered to provide 30 acres of land but the proposal did not find favour with GOI (February 2012) as Sampla town did not fulfill the requirements of the guidelines for setting up of Science City. It was subsequently decided in December 2015 to take up the matter with the State Technical Universities<sup>56</sup> for providing land in their campus. The outcome is awaited (November 2016). All these three stations/cities<sup>57</sup> also do not match the eligibility criteria of the scheme guidelines.

The Council stated (August and September 2016) that ₹ 14.55<sup>58</sup> crore has been deposited into Government account after being pointed out in audit. It added that

<sup>55</sup> (i) December 2009- Haryana State Industrial & Infrastructure Development Corporation Limited was asked to provide land in IMT, Rohtak free of cost but same was refused.

(ii) January 2010- Gram Panchayat Garnawathi next to IMT, Rohtak was approached to provide land on lease basis but same was refused.

<sup>56</sup> Maharishi Dayanand University (MDU), Rohtak; Kurukshetra University, Kurukshetra & Deen Bandhu Chhotu Ram University of Science and Technology, Murthal (Sonapat).

<sup>57</sup> Rohtak; Kurukshetra and Murthal (Sonapat).

<sup>58</sup> ₹ 0.11 crore (₹ 14.66 - ₹ 14.55) was incurred for preparation of feasibility report for setting up of Science City.

interest of ₹ 10.37 crore had been earned by the Council by depositing the grant in fixed deposits/savings accounts at different rates of interest. However, the same is still lying with the Council and yet to be deposited in Government account (November 2016).

The fact remains that ₹ 14.66 crore was drawn and transferred to the Council without ensuring the basic requirements for its utilization. Resultantly, the funds remained unutilized and out of Government account for more than six years and were finally deposited after audit had pointed out the lapse. Further, Council has yet to deposit the interest amounting to ₹ 10.37 crore in the Government account.

The matter was referred to the Government (April 2016). The reply is awaited (December 2016).

**Town and Country Planning Department  
(Haryana Urban Development Authority)**

**3.18 Non-recovery of unearned increase in value of land and annual ground rent**

**Leasing out of land without assessing the unearned increase in value of land by the Haryana Urban Development Authority led to non-recovery of ₹ 417.15 crore. In addition, ground rent of ₹ 10.77 crore including interest also remained unrecovered.**

Regulation 6 of the Haryana Urban Development (Disposal of Land and Buildings) Regulations, 1978, stipulates that in the case of sale or lease of land by auction, the price/premium to be charged shall be such reserve price/premium as may be determined after taking into consideration various factors as indicated in sub regulation (1) of Regulation 4 or any higher amount determined as a result of bidding in open auction. Regulation 4 (1) prescribes that the tentative price/premium for the disposal of land or building by the Authority may be such as may be determined by the Authority taking into consideration the cost of land, estimated cost of development, cost of building and other indirect charges as may be determined by the Authority from time to time. Regulation 9 adds that, in the case of transfer of land/building disposed of on leasehold basis, 50 per cent of unearned increase in the value of land i.e. the difference between the premium and market value of land at the time of transfer shall be paid to the Authority before registering such sale or transfer.

Scrutiny of records of the Chief Town Planner, Haryana Urban Development Authority (HUDA), Panchkula, brought out that a Committee was constituted (July 2009) under the chairmanship of Chief Administrator, HUDA to examine the modalities for inviting technical and financial bids for establishment of an Amusement Park in City Centre, Gurugram. The Committee recommended (July 2009) leasing out the property for a period of 33 years with the condition that the lessee will pay the ground rent every year. The Committee, on the basis of

land cost reported by the Land Acquisition Officer (LAO), Gurugram, also recommended a bid premium of ₹ 106 crore for 58 acres of land (25 acres in Sector 29 and 33 acres in Sector 52A Gurugram). Thereafter, Requests for Proposals were invited through newspapers in August 2009.

Subsequently, it came to notice in September 2009 that 16 acres out of the 33 acres of land earmarked for the amusement park in Sector 52A was under litigation. Accordingly, a corrigendum was issued in newspapers (October 2009) for the 42 acres of clear land. The eligibility criteria set in the Request for Proposal for the individual/firm/company (bidder) was that (i) the bidder should have minimum experience of 10 years in setting up and operating at least one amusement park in India, (ii) the net worth of the bidder should not be less than ₹ 50 crore as on 31 March 2009, (iii) the bidder should have the capacity to invest at least ₹100 crore in the project within one year, (iv) the bidders should have an aggregate turnover of at least ₹ 50 crore from amusement parks in the last five years i.e. up to 2009 as per audited Balance Sheet, and, (v) international tie ups with companies which are world class in their respective areas.

In response, two firms submitted their technical and financial bids. The technical bid of one firm was rejected as it did not qualify the eligibility criteria of condition numbers (i) and (iv) supra. The remaining bidder quoted a rate of ₹ 92 crore against fixed reserve price of ₹ 91 crore which was enhanced (May 2010) to ₹ 94.50 crore after negotiations. Letter of Award was issued in July 2010 and lease agreement was executed on 14 June 2011.

Audit observed the following:

(a) The Authority did not apply provisions of Regulation 9 ibid which stipulated deposit of 50 *per cent* of the unearned increase in the value of land with the Authority. The market value of land on the basis of prevalent collector rates of commercial plots worked out to ₹ 928.80 crore and 50 *per cent* of the unearned increase is ₹ 417.15 crore<sup>59</sup>. The amount of ₹ 417.15 crore was neither demanded nor deposited by the Firm.

(b) As per the lease agreement, the lessee was required to implement the project within 24 months from the effective date of lease agreement (June 2011) and annual ground rent was to be paid from 14 June 2013 at the rate of two and half *per cent* per annum of the premium paid by the lessee. In case of delayed payment of premium or ground rent, interest at the rate of 15 *per cent* per annum or such interest as decided by the lessor from time to time was also required to be paid by the lessee. It was noticed that annual ground rent amounting to ₹ 8.07 crore for the period June 2013 to November 2016 had not been paid by the lessee. Hence, ground rent of ₹ 8.07 crore and also interest of ₹ 2.70 crore on the outstanding amount has also become due.

<sup>59</sup> ₹ 928.80 crore (market value) - ₹ 94.50 crore (premium) = ₹ 834.30 crore (unearned increase) divided by 2 (50 per cent) = ₹ 417.15 crore

The Government stated (July 2016) that Regulation 9 of the Haryana Urban Development (Disposal of Land and Buildings) Regulations is not applicable in this case as no transfer of land/buildings disposed of on lease hold basis is involved. Only leasing rights have been given to the lessee and the land will revert back to HUDA upon completion of lease period. It added that HUDA has its own system of calculation of nodal prices/reserve prices taking into consideration land acquisition cost, development cost, administrative charges, etc. and the bid price (premium for leasing of the land) was decided by the Committee constituted for this purpose. It added that no Collector rates have been prescribed by the Revenue Department for recreational land use and audit scrutiny has wrongly compared the lease rates of amusement park with rates of land meant for commercial purposes.

The reply was not tenable as the land was transferred on lease hold basis for a period of 33 years extendable for another 33 years and Regulation 9 is applicable on transfer of land on lease hold basis. Further, HUDA categorised land for price fixation into residential, commercial, industrial, institutional, religious and charitable and there was no separate category for recreational land. As per articles 6 and 7 of the lease agreement, lessee has sole and exclusive right to levy and collect appropriate revenue from users and to utilize the land for property development, commercial exploitation and advertisement at project site. As such, establishment of the amusement park is clearly a commercial venture. Moreover, HUDA has itself categorized this plot as commercial property in its Plot and Property Module.

### **Women and Children Development Department**

#### **3.19 Homes/Centres for Destitute Women and Children**

**There were deficiencies in the implementation of the scheme by the Women and Child Development Department as evident from non-repair of buildings, poor occupancy of rooms, lack of training and education to widows and destitute women to make them economically self reliant. There was poor dissemination of the scheme and lack of proper follow up.**

The Haryana Government introduced (August 1972) the Scheme “Homes for Widows and Destitute Women” to provide shelter, food and clothing, education and training to young widows and destitute women and their children so as to equip them to become economically self reliant and lead a useful and meaningful life as part of main stream society. Admission in the Home was to be given on the recommendation of the Deputy Commissioner concerned after thorough enquiries by the District Programme Officer /Superintendent of Mahila Ashram. The State Government (July 2013) fixed a maximum of five years stay in the Home (initially for three years extendable by another two years) which was revised (June 2015) to initial stay for five years extendable by another three years by Review Committee which was further extendable by five years with the approval of the Committee in cases of destitute women who were mentally or physically

challenged or any other specific case by State Level Committee. There are three Homes for widows and destitute women in the State, one Mahila Ashram each in Karnal, Rohtak and Kasturba Seva Sadan in Faridabad.

The records of the Director, Women and Child Development (WCD) Department, Haryana and all the three Homes<sup>60</sup> for the period 2011-16 were test-checked during December 2015 to March 2016 to ascertain the effectiveness of the implementation of the scheme.

### **3.19.1 Budget and expenditure**

Against the budget provision of ₹ 11.12 crore, the Department has incurred an expenditure of ₹ 9.13 crore (expenditure on three Homes: ₹ 7.45 crore, “Home-cum-Vocational training/production centres for young girls and destitute”: ₹ 1.38 crore, and maintenance of Homes: ₹ 0.30 crore) from 2011-12 to 2015-16. Scrutiny of records showed that out of total expenditure of ₹ 7.45 crore incurred by three Homes, an expenditure of ₹ 6.50 crore (87 per cent) was incurred on pay and allowances of staff during the period 2011-16 and only an amount of ₹ 0.95 crore (13 per cent) was spent on these Homes.

### **3.19.2 Occupancy in Homes and lack of awareness**

As per scheme guidelines (July 2013), normally a room should accommodate one family consisting of mother and two children. If she has more than two children, another additional room may be given subject to availability. Scrutiny of records showed that occupancy of rooms in three Homes ranged between 60 to 67 per cent in Karnal, 34 to 41 per cent in Rohtak and 28 to 49 per cent in Faridabad during 2011-16 and not even a single application had been received for admission in Kasturba Sewa Sadan Faridabad during 2011-16.

It was further observed that some blocks of homes were completely or partially lying vacant (March 2016) with the result that their conditions have further deteriorated as listed below.

- In Mahila Ashram, Karnal, 31 rooms in Block C were lying vacant since 1999;
- In Mahila Ashram, Rohtak, against the capacity of 48 rooms in barrack B, E, F and H only 5 inmates were living as of 31 March 2016; and
- In Kasturba Sewa Sadan Faridabad, only 11 families were living in 12 rooms against capacity of 39 rooms. Out of 27 vacant rooms, 9 rooms were occupied as offices/ stores of other Departments by the Director WCD, which was not only irregular but was also unsafe, keeping in view security of women.

<sup>60</sup> (i) Mahila Ashram Karnal, (ii) Mahila Ashram Rohtak and (iii) Kasturba Seva Sadan, Faridabad.

The Department had not conducted any survey to identify the needy widows and destitute women in the districts. As of March 2016, total strength of occupants in all three homes was 97 and they all belonged to only 10 out of 21 districts in the State of which in six districts occupancy was ranging between one and six per district and there were no occupants from the remaining 11 districts. It indicates lack of wide publicity of the scheme.

The Director-cum-Special Secretary stated (July 2016) that due to less occupancy, rooms were lying vacant. As regards publicity and awareness, the scheme has been uploaded on the departmental website. Regarding non-conducting of survey, it was stated that to increase the occupancy, the information regarding destitute widows and helpless women will be collected through anganwadi workers.

Audit observed that the scheme was intended for the welfare of poor, helpless, illiterate and destitute women and there was no rationale in only putting the Government notifications on departmental website. More innovative strategies and methods of creating awareness were required to be evolved so that the message could be conveyed to the people requiring such help across the State.

### 3.19.3 Adequacy of infrastructure

There are three Homes at Karnal, Rohtak and Faridabad with 227<sup>61</sup> rooms (March 2016). No assessment of requirement has been carried out nor new Home been constructed so far in the other 18 districts of the State. Admission in Kasturba Sewa Sadan, Faridabad has also been stopped since June 2016.

#### 3.19.3.1 Repair and maintenance works

The maintenance works of building of all the three homes were being done by PWD (B&R) as deposit works. Against the deposit amount of ₹ 44.01 lakh<sup>62</sup> for minor repairs, ₹ 30.42 lakh<sup>63</sup> were spent during 2011-16 by PWD (B&R) for executing various repair works.

	
<p><b>Condition of door of toilets in MA Karnal</b> Date of photo 19-01-2016 (11:43AM)</p>	<p><b>Condition of residence of Superintendent including of TV room in KSS Faridabad</b> Date of photo 09-03-2016 ( 3:05PM)</p>

<sup>61</sup> Karnal: 72, Rohtak: 116 and Faridabad: 39.

<sup>62</sup> Karnal: ₹ 17.51 lakh, Rohtak: ₹ 13.72 lakh and Faridabad: ₹ 12.78 lakh.

<sup>63</sup> Karnal: ₹ 13.79 lakh, Rohtak: ₹ 5.23 lakh and Faridabad: ₹ 11.40 lakh.

It was observed in audit that against the deposit work of ₹ 9.22 lakh during 2014-16 in Mahila Ashram, Rohtak, only an expenditure of ₹ 0.73 lakh was incurred on works and balance amount of ₹ 8.49 lakh has not been spent so far resulting in further deterioration of the condition of buildings. In Kasturba Sewa Sadan Faridabad, expenditure of ₹ 11.40 lakh was incurred on repair of Kasturba Sewa Sadan during 2011-16. Of this, an amount of ₹ 6.99 lakh was provided to PWD (B&R) during 2013-14 for demolition of old residence of Superintendent which was not done. This poses a hazard for the children of widows and destitute women who play in these buildings.

The Government stated (July 2016) that works executed by PWD (B&R) was supposed to be reviewed by concerned District Programme Officers and Superintendent of Homes.

### **3.19.4 Training and Education**

#### **(i) Training to widows and destitute women**

One of the main objectives of the scheme was to provide training to young widows and destitute women with a view to enable them to gain confidence through capacity building and training and to equip them to become economically self-dependant and lead a useful and meaningful life in society. For this purpose, short-term and long term courses and refresher courses were to be arranged to increase skill development of the occupants through Industrial Training Institute.

Scrutiny of records showed that no targets had been fixed by the Department to provide training. Training in tailoring and embroidery trade was imparted to only nine out of 43 widows and destitute women by Mahila Ashram, Rohtak and to five out of 11 by Kasturba Sewa Sadan Faridabad during the period 2011-16. Out of these 14 women<sup>64</sup>, three have left the Home and the remaining 11 trained women could not become economically self dependent after training and were still living in the Homes. The training centre of Mahila Ashram, Karnal was lying closed since February 2007 and the training centre of weaving course in Mahila Ashram, Rohtak was also closed since December 2013 due to retirement of training teacher. No efforts were made by the Department for deputing training teacher. Thus, the very objective of the scheme stood defeated because training provided to occupants was not result oriented.

The Department stated (July 2016) that all the Superintendents of the Homes have been directed to take steps for providing new training as per available skills of the inmates. There is no provision for providing training to the inmates in Mahila Ashram, Karnal as no technical staff is posted there. Director, Technical Education has been requested to provide skill training to the inmates.

<sup>64</sup> Rohtak: 9 and Faridabad: 5

**(ii) Education to women**

The scheme provides for education to young widows and destitute women and their children to enable them to become useful members of society.

It was noticed that in Mahila Ashram Karnal, Rohtak and Kasturba Sewa Sadan, Faridabad, 31 occupants<sup>65</sup> out of 97 occupants (32 per cent) were illiterate. As per scheme guidelines, proper education was to be given to these occupants to enable them to become self reliant. But, the department did not take any initiative towards this end.

The Department stated (July 2016) that most of the inmates were illiterate and do not show any interest in acquiring education through correspondence studies and prefer to work in the neighboring houses as maid while some of the inmates were involved in stitching or canning in order to earn. The DPO and Superintendent of the Home will be directed to take initiative for motivating the inmates to persuade studies. The reply was not convincing as there was no evidence to indicate that the Department had made any serious efforts to educate them. Resultantly, the occupants are bound to work in the neighboring houses. Although 18 occupants were living for more than 15 years, they too were not educated due to lack of serious initiative by the Department to address the problem.

**3.19.5 Follow up action and monitoring**

As required under Orphanages and other Charitable Homes Act, 1960, rules/regulations had not been framed and Board of Control has not been established to implement the Act effectively. Seventy three occupants<sup>66</sup> had left the homes during 2011-16 of which 47 inmates<sup>67</sup> left the centre without proper reasons. No data for such inmates was maintained to ascertain whether they had become self dependant or not. Annual review of inmates in Mahila Ashram, Karnal for the year 2012 and 2015 was also not conducted.

The Government stated (July 2016) that formulation of Rules were under consideration and inmates would be motivated to learn skills during their stay to make them self reliant.

**3.19.6 Conclusion**

The Department failed to implement the scheme as evident from cases of non repair of buildings, poor occupancy of rooms, lack of training and education to widows and destitute women to make them economically self reliant. There was poor dissemination of the scheme and lack of proper follow up.

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<sup>65</sup> Karnal: 10, Rohtak: 16 and Faridabad: 5

<sup>66</sup> Karnal-35, Rohtak-25 and Faridabad-13

<sup>67</sup> Karnal-27, Rohtak-7 and Faridabad-13



### 3.20 *Beti Bachao Beti Padhao Scheme*

**Target of improving the sex ratio at birth, increasing girls' enrolment in secondary education and 100 per cent re-enrolment of drop-out girls could not be fully achieved. Besides, implementation of Pre-Conception & Pre-Natal Diagnostic Techniques Act needed strengthening.**

*Beti Bachao Beti Padhao* (BBBP) was launched on 22 January 2015 at Panipat in Haryana. The objectives of the scheme were to prevent gender biased sex selective elimination, ensure survival, protection, education and participation of girl child. The scheme was to be implemented through mass campaign, focused intervention and multi sectoral action in 100 selected gender critical districts of India out of which 12<sup>68</sup> districts were from Haryana. Eight<sup>69</sup> more districts of the State were also included under the scheme in February 2016.

BBBP is a centrally sponsored scheme with 100 per cent financial assistance to the State Governments. The financial assistance was to be released in two installments. Initially, budget was to be allocated according to proposals of State Government and further release was to be made bi-annually after receiving the statement of expenditure and utilization certificate. Against the budget provision of ₹ 14.28 crore, ₹ 8.08 crore were released by Government of India (GOI) and expenditure of ₹ 5.31 crore was incurred from January 2015 to March 2016.

The records of the office of the Director, Women and Child Development Department (WCD) and three districts out of 20<sup>70</sup> districts covering a period from January 2015 to March 2016 were test checked in audit to assess implementation and impact of the scheme. Two districts (Mahendragarh and Panipat) were selected on the basis of lowest and highest Child Sex Ratio (CSR) as per Census 2011 and third (Sonapat) on the basis of maximum expenditure incurred (during January 2015 to December 2015).

#### 3.20.1 *Diversions of funds*

As per the scheme guidelines, ₹ five lakh were to be provided to each district through Health Department to strengthen the district Pre-conception and Pre-Natal Diagnostic Technique (PC & PNDT) Cell, monitoring, research studies, information, education and communication activities.

Audit observed that funds of ₹ five lakh were released (January 2015) by District Programme Officer, WCD, Panipat to Civil Surgeon, Panipat for the aforesaid objectives out of which ₹ 3.01 lakh were spent on preparation of “Theme Gate” for the entrance at Panipat on the occasion of the launching of the scheme. Thus,

<sup>68</sup> 1. Mahendragarh, 2. Jhajjar, 3. Rewari, 4. Sonapat, 5. Ambala, 6. Kurukshetra, 7. Rohtak, 8. Karnal, 9. Yamunanagar, 10. Kaithal, 11. Bhiwani and 12. Panipat.

<sup>69</sup> 1. Gurugram, 2. Jind, 3. Faridabad, 4. Hisar, 5. Fatehabad, 6. Sirsa, 7. Panchkula 8. Palwal.

<sup>70</sup> Districts were selected out of the 12.

the expenditure incurred on the 'Theme Gate' was irregular and tantamount to diversion of funds. Further, it was observed that an expenditure of ₹ 21.24 lakh was incurred (January 2015) by the WCD Department from funds of the scheme for the purchase of 1,800 laptop bags and 2,900 mugs. There was no provision in the scheme for purchase of these items.

The department stated (October 2016) that the purchase of lap-top bags and mugs was made for wide publicity of the scheme, all the material was printed with the logo “BBBP” and it was distributed to the participants<sup>71</sup> from all over India. The reply was not convincing because purchase and distribution of laptop bags/mugs was against the provisions of the scheme as the expenditure was to be incurred on innovation and awareness activities.

### **3.20.2 Implementation of the scheme**

#### **(i) Prevention of gender biased sex selective elimination**

##### **(a) Enforcement of Pre-Conception & Pre-Natal Diagnostic Techniques Act**

The scheme guidelines provided for effective implementation of Pre-Conception & Pre-Natal Diagnostic Techniques Act at National/State/ Districts levels. Audit observed the following:

- As per the guidelines, anonymous online complaint portal was to be made functional by September 2014 but it has not been set up in any of the test checked gender critical districts. Only seven complaints regarding unregistered doctors operating ultrasound machines and illegal activities under Pre-Conception & Pre-Natal Diagnostic Techniques Act were received during 2014-16 in these districts. Non provision of the facility of anonymous online complaint portal diluted the monitoring capability of the Department.
- As per scheme guidelines, District Pre-Conception & Pre-Natal Diagnostic Techniques Cells were to be strengthened with technical manpower and equipment. No action had been initiated by the Department to strengthen the Pre-Conception & Pre-Natal Diagnostic Techniques Cells in the three test checked districts.
- Although no specific targets have been mentioned in the guidelines in respect of conducting inspections/ checking of Diagnostic Centres, it is necessary to fix targets of monthly/ quarterly inspections for proper monitoring. However, no targets have been fixed by the Department. During January 2015 to March 2016, 754 inspections were conducted by the Health Department in the three test checked districts. On the basis of complaints received and investigation of the complaints by the Department, registration of 40 diagnostic centres was cancelled/ suspended and 24 centres seized and sealed by the Health Department,

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<sup>71</sup> Chief Ministers/ Ministers/ Administrative Secretaries/ Head of the Departments/ Professors of different States and Media persons in Haryana.

FIRs have been lodged in 14 cases and nine court cases have been filed by the Department during January 2015 to March 2016.

- The guidelines envisage that review meetings, field inspections and monitoring would be carried out every three months in all the identified districts by State Inspection and Monitoring Committee. It was noticed that only one meeting was held during January 2015 to March 2016 in the State and no meeting was held in the test checked districts against the requirement of five meetings indicating that the Department did not monitor the scheme adequately.

Director General Health Services stated (September 2016) that no instructions had been received from GOI pertaining to fixing of physical targets by State Government for effective implementation of PC&PNDT Act and even otherwise it is not practically feasible to fix the targets of apprehending violators of PC & PNDT.

**(ii) Education to girl child**

**(a) Non-distribution of awards to schools**

As per the guidelines, awards were to be given to five schools every year in each gender critical district at the rate of ₹ one lakh per school through Education Department of respective district for strengthening and promoting girl's education. The awards would be given on the basis of efforts made by the School Management Committees to enroll unenrolled girls and bring back drop out girls.

Scrutiny of records showed that in the three selected districts, against the target of giving awards of ₹ 15 lakh, the Department distributed awards of ₹ one lakh<sup>72</sup> during 2015-16.

The Director, WCD Haryana stated (July 2016) that the GOI had released only ₹ 2.50 lakh per district against the norm of ₹ five lakh per district during the year 2015-16.

The reply was not convincing because GOI released ₹ five lakh per district (₹ 2.50 lakh in January 2015 and ₹ 2.50 lakh in November 2015) for this purpose, but State Government spent the funds at headquarters' level on other components of the scheme like workshop-cum-seminar at Panipat and released only ₹ 2.50 lakh to each district. Thus, the objective of the scheme to encourage and promote education of the girl child was diluted.

**(b) Girls' enrolment in secondary education**

The guidelines provided that girls' enrolment in secondary education (9th to 12th class) should be increased from 76 per cent in 2013-14 to 79 per cent by 2017. Position of percentage of girls' enrolment in secondary education in three test checked districts was as in **Table 3.4** below:

<sup>72</sup> Mahendragarh: Nil; Panipat: ₹ 2.50 lakh and Sonapat: ₹ 2.50 lakh.

**Table No 3.4: Position of girls' enrolment in secondary education**

District	2014-15 (Session)			2015-16 (Session)		
	Total Population of girls (age group 14-17 years)	No. of girls enrolment in secondary education	Percentage of girls enrolment in secondary education	Total population of girls (age group 14-17 years)	No. of girls enrolment in secondary education	Percentage of girls enrolment in secondary education
Panipat	45,574	29,363	64.42	46,720	30,079	64.38
Mahendragarh	35,476	27,616	77.84	34,902	26,076	74.71
Sonepat	52,178	40,510	77.63	52,620	40,393	76.76

(Source: Information supplied by Director, Secondary Education and concerned DEOs)

The figures indicate that the percentage of girl's enrolment in secondary education in the selected districts decreased in 2015-16 as compared to 2014-15. The department stated (July 2016) that a study camp in Kerala at Cherthala coast was organized during January 2016 for meritorious girl students of various Government Schools, 36 Middle/ High Schools have been upgraded to Senior Secondary level in difficult areas of Mewat and Morni for promotion of girl's education and celebration of birthdays of girl students, cultural study tours and excursions for meritorious girls were planned for their encouragement and all round development.

**(c) Re-enrolment of drop-out girls in Secondary Schools**

Director and Special Secretary, Secondary Education directed (July 2015) all the DEOs to ensure zero drop-out and 100 *per cent* retention of girls upto secondary education. For this purpose, campaign to re-enroll drop out girls in secondary schools were to be organized. It was observed in audit that the target of ensuring zero drop-out and 100 *per cent* retention of girl could not be achieved in three selected districts. Position of re-enrolment of drop-out girls of 10<sup>th</sup> & 12<sup>th</sup> classes of test-checked districts during 2014-15 and 2015-16 was as in **Table 3.5** below:

**Table No.3.5: Position of re-enrolment of drop-out girls of 10th and 12th Classes**

District	2014-15							
	10 <sup>th</sup> class				12 <sup>th</sup> class			
	Total No. of drop-out girls	No. of drop-out re-enrolled	No. of drop-out not re-enrolled	Percentage of not re-enrolled	Total No. of drop-out girls	No. of drop-out re-enrolled	No. of drop-out not re-enrolled	Percentage of not re-enrolled
Panipat	1,075	515	560	52	318	49	269	85
Sonepat	1,461	598	863	59	804	283	521	65
Mahendragarh	1,252	1,150	102	8	1,137	925	212	19

2015-16								
District	10 <sup>th</sup> class				12 <sup>th</sup> class			
	Total No. of drop-out girls	No. of drop-out re-enrolled	No. of drop-out not re-enrolled	Percentage of not re-enrolled	Total No. of drop-out girls	No. of drop-out re-enrolled	No. of drop-out not re-enrolled	Percentage of not re-enrolled
Panipat	1,212	977	235	19	392	309	83	21
Sonepat	380	163	217	57	232	50	182	78
Mahendragarh	759	205	554	73	369	82	287	78

(Source: Information supplied by Director, Secondary Education and concerned DEOs)

The analysis of above data showed that position of re-enrolment of drop-out girl students improved during 2015-16 in Panipat district in both the classes and in Sonapat it improved for 10<sup>th</sup> class only whereas it deteriorated in Mahendragarh in both the classes, and in 12<sup>th</sup> class in Sonapat district in comparison to year 2014-15.

The Department stated (July 2016) that special enrolment drive for out-of-School children especially for girls under the scheme has been started with the involvement of NCC, NSS, scout and guide volunteers. 'Yuva Prerak Smooh' have been created in various schools to identify school children specially girls who had left the school and to get them enrolled in schools under the guidance of teacher with the help of school.

**(d) Monitoring of multi sectoral implementation of scheme**

The State Government is implementing seven major schemes<sup>73</sup> with the objective of improving the status of girl child, correcting the demographic distortions of decreasing sex ratio in the State and to meet the sociological and health needs of the girl child. With a view to co-ordinate the multi-sectoral implementation of the scheme, State Task Force (STF) and District Task Force (DTF) were constituted (February 2015). Quarterly meetings were to be held by STF and DTF for this purpose.

It was observed that there was shortfall in holding of meetings and only one meeting of STF and three, one and three meetings of DTF in Panipat, Mahendragarh and Sonapat districts respectively were held between January 2015 and March 2016 against the requirement of holding five meetings each by DTF and STF.

**(e) Documentation of activities**

The guidelines provide that to ensure accountability and for service improvement, it was important to document all activities conducted at the District, Block and

<sup>73</sup> (i) Ladli Scheme merged in "Aapki Beti Hamari Beti" w.e.f. 22 January 2015, (ii) Kishori Shakti Yojna, (iii) SABLA, (iv) Adolescent Girl award, (v) Indira Gandhi Priyadarsini Vivah Shagun Scheme, (vi) Ladli Social Security Allowance and (vii) Yoga Classes and Self Defence Training for girls.

Gram Panchayat level relating to the Scheme and campaign.

Scrutiny of records revealed that in three WCDPO<sup>74</sup>, various IEC activities<sup>75</sup> relating to implementation of the scheme were carried out by the three Women and Child Development Project Officers during 2014-15 and 2015-16, but these were not documented. In the absence of proper documentation, implementation of various activities of the scheme could not be vouchsafed in the audit.

### 3.20.3 Impact

#### 3.20.3.1 Shortfall in achievement of targets of sex ratio

The guidelines provided for improving the sex ratio at birth (SRB) in gender critical districts by 10 points in a year. The Director General, Health Services, Haryana, identified (May 2015) the Civil Registration System as source and approved December 2014 as baseline data for measuring the Child sex ratio/ sex ratio at birth. The position of targets and achievements regarding Sex Ratio at Birth in respect of three selected districts was as in **table 3.6** below:-

**Table No.3.6: Targets and achievements of sex ratio at birth**

Sr. No.	Name of District	Baseline data (December 2014)	Targets (December 2015) by adding 10 points in a year as per guidelines	Achievements	
				December 2015	March 2016
1.	Panipat	892	902	892	881
2.	Mahendragarh	745	755	810	787
3.	Sonepat	847	857	865	923

(Source: Chief Registrar, Births & Deaths, Haryana and Information supplied by Health Department)

As evident from above, the ratio in Panipat District was 892 against the target of 902 as of December 2015 which further decreased to 881 as of March 2016. In district Mahendragarh, against the target of 755, achievement was 810 in December 2015 and it decreased to 787 in March 2016. However, in district Sonapat, sex ratio had increased.

Audit noted that the BBBP scheme was introduced only in January 2015 and improvement in the sex ratio in the State could not be attributed solely to the scheme. The sex ratio has been increasing steadily for the last four years for the State as a whole from 833 in 2011 to 876 in 2015 due to impact of several other schemes relating to girl child which were being implemented in the State for last many years.

<sup>74</sup> Panipat (Rural), Mahendragarh (Rural) and Sonapat (Rural-1).

<sup>75</sup> Nukked Natak, Prabhat Fherri Rally, celebration of Beti Janmotsav, Kuan Pujan etc.

**3.20.4 Conclusion**

Audit noted that it was as yet too early to assess the impact or effectiveness of the Scheme. There was scope for improved and more concerted implementation of the various elements of the newly introduced scheme as evident from target for improving the sex ratio at birth in Panipat and Mahendragarh, increasing girl's enrolment in secondary education and 100 *per cent* re-enrolment of drop-out girls in three test checked districts viz Panipat, Mahendragarh and Sonapat has so far not been achieved. Further, requisite infrastructure to prevent gender biased sex selections as envisaged under Pre-Conception & Pre-Natal Diagnostic Techniques Act has yet to be fully put in place.



(Mahua Pal)

Chandigarh

Dated: 07 FEB 2017 Principal Accountant General (Audit), Haryana

Countersigned



(Shashi Kant Sharma)

New Delhi

Dated: 09 FEB 2017 Comptroller and Auditor General of India

# **Appendices**



**Appendix 1.1**  
**(Reference: Paragraph 1.8; Page 4)**  
**Details of nature of irregularities pointed out through outstanding Inspection Reports**

(₹ in crore)

Sr. No.	Nature of irregularities	Number of Paragraphs	Amount
1.	Excess/short receipt of Government grants, non/short utilization of grants and deposit of excess/short management shares	83	135.50
2.	Excess expenditure, excess payment, irregular/wasteful/avoidable/unfruitful/injudicious expenditure	81	184.98
3.	Non /short recovery of interest/service charges and other recoveries	79	32.59
4.	Blockade/diversion of Government funds, irregular purchases, over budget, non-obtaining of technical sanction/administrative approval and misutilisation /non-utilization of Government money/loans	77	95.31
5.	Non-obtaining/non-production of utilization documents, suspected embezzlement and non-production of records	55	294.34
6.	Irregular/excess payment on salary/TA/other heads	38	8.52
7.	Paragraph relating to stock and store.	31	0.53
8.	Other miscellaneous irregularities.	189	431.76
<b>Total</b>		<b>633</b>	<b>1,183.53</b>

**(Source: Information derived from the data maintained in the office of PAG (Audit Haryana))**

**Appendix 1.2**

(Reference: Paragraph 1.9; Page 5)

**List of Outstanding Paragraphs to be discussed in PAC for the years 2012-13, 2013-14 and 2014-15 as on 31 October 2016**

Sr. No.	Name of Department	Period	Total paras	Para No.
1.	Agriculture	2013-14	1	3.1
2.	Education	2012-13	1	2.3
		2013-14	3	2.1, 3.3, 3.4 and (3.8 )
		2014-15	2	2.2 (Elementary), 3.3
3.	Higher and Technical Education	2014-15	3	2.3, 3.10, 3.26
4.	Food and Supplies	2012-13	1	3.5
		2014-15	2	3.5, 3.6
5.	Home (Police)	2014-15	3	3.11, 3.12, 3.13
6.	Health and Family Welfare	2013-14	2	2.2, 3.10
		2014-15	1	3.9
7.	Health and Medical Education Department	2012-13	1	3.6
8.	Medical Education and Research Department	2014-15	1	3.19
9.	Animal Husbandry and Dairying Department	2014-15	1	3.1
10.	Irrigation	2012-13	2	3.10, 3.11
		2014-15	3	3.16, 3.17, 3.18 (joint)
11.	Public Works Department(B&R)	2012-13	2	3.13, 3.14
		2014-15	1	3.22
12.	Public Works Department(P&H)	2012-13	2	2.1, 3.12
		2014-15	3	2.1, 3.20, 3.21
13.	Revenue	2012-13	1	3.15
		2013-14	1	3.18
14.	Rural Development	2012-13	1	2.4
		2014-15	2	3.23, 3.24
15.	Town and Country Planning (Haryana Urban Development Authority)	2012-13	2	3.16, 3.17
		2013-14	2	2.3, 3.20
16.	Housing Department ( Housing Board Haryana)	2012-13	1	3.8
17.	Transport	2012-13	1	3.18
18.	Administration of Justice	2012-13	1	3.7
19.	Archaeology and Museums Department	2014-15	1	3.2
20.	Panchayats Department	2012-13	1	3.4
		2013-14	1	3.2
21.	Urban Local Bodies Department	2012-13	3	2.2, 3.19, 3.20
22.	Co-operation Department	2012-13	1	2.5

Sr. No.	Name of Department	Period	Total paras	Para No.
23.	Civil Aviation Department	2012-13	1	3.1
24.	Civil Secretariat	2012-13	2	3.2, 3.3
25.	Public Relation Department	2012-13	1	3.9
26.	Welfare of SC and BC Department	2012-13	1	3.21
27.	Environment (HSPCB)	2013-14	2	3.5, 3.6
		2014-15	1	3.4
28.	Finance	2013-14	1	3.7
29.	Horticulture	2013-14	1	3.12
		2014-15	1	3.14
30.	Sports and Youth Affairs	2013-14	1	3.19
		2014-15	1	3.25
31.	Women and Child Development	2013-14	1	3.23
		2014-15	1	3.27
32.	Forest Department	2014-15	2	3.7, 3.8
33.	Industrial Training and vocational Education Department	2014-15	1	3.15
<b>Total Paras</b>			<b>72</b>	

(Source: Information derived from the data maintained by the Public Accounts Committee)

### Appendix 1.3

(Reference: Paragraph 1.9; Page 5)

**Details of Audit Report paragraphs for which action taken notes (ATNs) were awaited for the years 2012-13, 2013-14 and 2014-15 as on 31 October 2016**

Sr. No.	Name of Department	CAG Audit Report	Total paras	Para No.
1.	Agriculture	2013-14	1	3.1
2.	Home (Police and Jail),	2012-13	1	3.7 (Home & Admn. Justice)
		2014-15	3	3.11, 3.12, 3.13
3.	Irrigation	2012-13	2	3.10, 3.11
		2014-15	2	3.16, 3.17
4.	Public Works Department (B&R)	2012-13	1	3.13
		2014-15	1	3.22
	Public Works Department (B&R), combined para PW (B&R), PW (PH), Irrigation	2012-13	1	3.14
		2014-15	1	3.18
5.	Revenue	2012-13	1	3.15
6.	Transport	2012-13	1	3.18
7.	Town and Country Planning (Haryana Urban Development Authority)	2012-13	2	3.16, 3.17
8.	Rural Development	2012-13	1	2.4 Review
		2014-15	2	3.23, 3.24
9.	Public Health Engineering Department	2014-15	3	2.1 Review, 3.20, 3.21
10.	Health and family welfare	2014-15	1	3.9 (Red Cross)
11.	Environment (HSPCB)	2013-14	2	3.5, 3.6
		2014-15	1	3.4
12.	Welfare of Scheduled Castes and Backward Classes	2012-13	1	3.21
13.	Urban Local Bodies Department	2012-13	3	2.2 Review, 3.19, 3.20
14.	Education	2014-15	3	2.2 Review, 2.3 Review, 3.3
15.	Higher and Technical Education	2014-15	2	3.26, 3.10
16.	Cooperation	2012-13	1	2.5 Review
17.	Health and Medical Education	2012-13	1	3.6
	Medical Education and Research Department	2014-15	1	3.19
18.	Housing Board Haryana	2012-13	1	3.8
19.	Finance	2013-14	1	3.7
20.	Horticulture	2013-14	1	3.12
		2014-15	1	3.14
21.	Sports and Youth Affairs	2014-15	1	3.25
22.	Women and Child Development	2014-15	1	3.27
23.	Animal Husbandry and Dairying	2014-15	1	3.1
24.	Archaeology and Museums Department	2014-15	1	3.2
25.	Food and Supply department	2014-15	2	3.5, 3.6
26.	Forest Department	2014-15	2	3.7, 3.8
27.	Industrial Training and Vocational Education Department	2014-15	1	3.15
28.	Civil Secretariat	2012-13	2	3.2, 3.3
29.	Development and Panchayat	2012-13	1	3.4
<b>Total</b>			<b>55</b>	

(Source: Information derived from Minutes of Proceedings of the Public Accounts Committee).

### Appendix 1.4

(Reference: Paragraph 1.9; 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
		2013-14	3.1	4,131.00
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	5.62
		2013-14	3.7	2,021.00
4.	Food and Supplies	2002-03	4.6.8	23.89
		2014-15	3.6.2	2,446.00
		2014-15	3.6.3	240.00
5.	Rural Development (DRDA)	2001-02	6.1.11	0.54
		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	16,700.00
		2013-14	2.3.10.6	1,266.00
			2.3.10.7	44.41
			2.3.10.11	37,386.00
3.20	84.64			
7.	Women and Child Development	2009-10	1.2.13.1	8.25
8.	Social Justice and Empowerment (District Red Cross Society)	2011-12	3.3.5.1	1,572.00
			3.3.5.2	71.00
9.	PWD (Irrigation)	2010-11	3.1.2	62.25
10.	Labour and Employment	2011-12	2.1. 9.4	79.95
11.	Urban Local Bodies	2012-13	2.2.8.1	17,040.00
			2.2.8.6	10,182.00
			3.20	554.00
12.	Cooperation	2012-13	2.5.7.4	494.00
			2.5.9.3	767.00
13.	Health and Medical Education	2012-13	3.6	125.00
14.	Education	2014-15	3.3	251.00
15.	Home	2014-15	3.11 (b),vi (a)	124.00
16.	Medical Education and Research	2014-15	3.19	116.00

Say ₹ 1,161.92 crore

(Source: Action taken notes on proceedings of the Public Accounts Committee).

### Appendix 1.5

(Reference: Paragraph 1.9; Page 5)

#### Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision as on 31 August 2016

Sr. No.	PAC Report	Year of Audit Report	Total outstanding recommendation as on 31 August 2016
1	9 <sup>th</sup>	1971-72	1
2	14 <sup>th</sup>	1973-74	1
3	16 <sup>th</sup>	1975-76	1
4	18 <sup>th</sup>	1976-77	1
5	21 <sup>st</sup>	1978-79	1
6	22 <sup>nd</sup>	1979-80	2
7	23 <sup>rd</sup>	1979-80	1
8	25 <sup>th</sup>	1980-81	3
9	26 <sup>th</sup>	1981-82	2
10	28 <sup>th</sup>	1982-83	1
11	29 <sup>th</sup>	1983-84	2
12	32 <sup>nd</sup>	1984-85	5
13	34 <sup>th</sup>	1985-86	5
14	36 <sup>th</sup>	1986-87	7
15	38 <sup>th</sup>	1987-88	6
16	40 <sup>th</sup>	1988-89	8
17	42 <sup>nd</sup>	1989-90, 90-91,91-92	4
18	44 <sup>th</sup>	1990-91, 91-92,92-93	8
19	46 <sup>th</sup>	1993-94	7
20	48 <sup>th</sup>	1993-94, 1994-95	3
21	50 <sup>th</sup>	1993-94,1994-95, 1995-96	33
22	52 <sup>nd</sup>	1996-97	15
23	54 <sup>th</sup>	1997-98	10
24	56 <sup>th</sup>	1998-99	14
25	58 <sup>th</sup>	1999-2000	38
26	60 <sup>th</sup>	2000-01	35
27	61 <sup>st</sup>	2001-02	12
28	62 <sup>nd</sup>	2002-03	20
29	63 <sup>rd</sup>	2005-06	25
30	64 <sup>th</sup>	2003-04	09
31	65 <sup>th</sup>	2004-05	21
32	67 <sup>th</sup>	2007-08	37
33	68 <sup>th</sup>	2006-07	56
34	70 <sup>th</sup>	2008-09	28
35	71 <sup>th</sup>	2009-10	29
36	72 <sup>nd</sup>	2010-11	60
		<b>Total</b>	<b>511</b>

(Source: Action taken notes on proceedings of the Public Accounts Committee).

**Appendix 1.6**  
**(Reference: paragraph 1.10; page 5)**  
**Statement showing the details of rendering of accounts to CAG and**  
**submission of Audit Report to State Legislature by the autonomous bodies**

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (up to 31 <sup>st</sup> August 2016)
1.	Haryana Khadi and Village Industries Board, Manimajra, Chandigarh	2012-13 to 2016-17	2014-15	2011-12	2011-12	--	--
2.	Haryana Labour Welfare Board, Chandigarh	2013-14 to 2017-18	2014-15	2014-15	2008-09	-	-
3.	Haryana Urban Development Authority, Panchkula	2012-13 to 2016-17	2013-14	2013-14	2012-13	2014-15	One year
4.	Haryana Housing Board, Panchkula	2009-10 to 2013-14	2013-14	2013-14	2011-12	--	--
5.	Haryana State Agricultural Marketing Board, Panchkula	2015-16 to 2019-20	2014-15	2014-15	2013-14	--	--
6.	Haryana Wakf Board, Ambala Cantt.	2013-14 to 2017-18	2014-15	2014-15	Not required to be laid down	--	--
7.	Haryana State Legal Services Authority, Chandigarh	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2013-14	2013-14	2013-14	2014-15	One year
8.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Bhiwani	-do-	2013-14	2013-14	-	2014-15	One year
9.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Faridabad	-do-	2013-14	2013-14	-	2014-15	One year
10.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Fatehabad	-do-	2013-14	2013-14	-	2014-15	One year
11.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Gurgaon	-do-	2012-13	2012-13	-	2013-14 to 2014-15	Two year

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (up to 31 <sup>st</sup> August 2016)
12.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Jhajjar	-do-	-	-	-	1996-97 to 2014-15	19 years
13.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Kaithal	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2013-14	2013-14	-	2014-15	One year
14.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Panchkula	-do-	2014-15	2014-15	-	-	-
15.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Panipat	-do-	2010-11	2010-11	-	2011-12 to 2014-15	Four years
16.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Rewari	-do-	2013-14	2013-14	-	2014-15	One year
17.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Rohtak	-do-	2014-15	2014-15	-	-	-
18.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Sonipat	-do-	2013-14	2007-08	-	2014-15	One year
19.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Yamunanagar	-do-	2014-15	2011-12	-	-	-
20.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Hisar	-do-	2013-14	2013-14	-	2014-15	One year
21.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Narnaul	-do-	2014-15	2013-14	-	-	-
22.	Chief Judicial Magistrate-cum-Secretary, District Legal Services Authority, Sirsa	-do-	2013-14	2013-14	-	2014-15	One year



Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year up to which accounts were rendered	Year up to which Audit Report issued	Year up to which Audit Report submitted to State Legislature	Year for which accounts due	Period of delay in submission of accounts (up to 31 <sup>st</sup> August 2016)
23.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Ambala	-do-	2014-15	2013-14	-	-	-
24.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Jind	No entrustment required. Audit undertaken under Section 19 (2) of CAG's DPC Act 1971	2014-15	2014-15	-	-	-
25.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Karnal	-do-	2007-08	2007-08	-	2008-09 to 2014-15	Seven years
26.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Kurukshetra	-do-	2014-15	2014-15	-	-	-
27.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Mewat	-do-	2014-15	2014-15	-	-	-
28.	Chief Judicial Magistrate -cum-Secretary, District Legal Services Authority, Palwal	-do-	2012-13	2012-13	-	2013-14 to 2014-15	Two year
29.	Haryana Building and other Construction Workers Welfare Board, Chandigarh	-do-	2013-14	2013-14	2008-09	2014-15	One year

## Appendix 2.1

(Reference: Paragraph 2.1.7.2; Page 12)

### Production and arrival of produce of main crops in the mandis

(Quintals in lakh)

Produce	2011-12		2012-13		2013-14		2014-15		2015-16	
	Production	Arrival	Production	Arrival	Production	Arrival	Production	Arrival	Production	Arrival
Wheat	1,311.19	707.49	1,111.70	872.82	1180	589.87	1,035.40	655.16	1,200.30	688.20
Paddy	375.70	592.66	394.10	597.29	404.10	610.83	400.60	621.17	414.50	731.70
Bajra	117.50	11.69	79.10	5.47	82.90	6.54	67.00	6.05	65.20	6.80
Pulses	3.40	2.44	2.30	1.50	1.90	1.61	1.50	1.60	1.40	1.40
Barley	14.90	10.79	16.70	14.81	15.10	13.92	10.50	8.67	11.40	8.10
Grams	7.30	1.71	5.30	1.97	7.20	2.91	4.20	2.62	4.90	1.90
Cotton	261.60	81.11	237.80	109.07	202.70	71.91	194.30	49.59	99.30	23.98
<b>Total</b>	<b>2,091.59</b>	<b>1,407.89</b>	<b>1,847.00</b>	<b>1,602.93</b>	<b>1,893.90</b>	<b>1,297.59</b>	<b>1,713.50</b>	<b>1,344.86</b>	<b>1,797.00</b>	<b>1,462.08</b>
Total other than paddy	1,715.89	815.23	1,452.90	1,005.64	1,498.80	686.76	1,312.90	723.69	1382.50	730.38
Percentage of arrival	67		87		69		78		81	
Percentage of arrival other than paddy	48		69		46		55		53	
Percentage of arrival of cotton	31		46		35		26		24	
Percentage of arrival of Paddy	158		152		151		155		177	

Source: Information collected from Agriculture Department and the Board

## Appendix 2.2

(Reference: Paragraph 2.1.7.4; Page 13)

## Details of loss of interest due to non-investment of surplus funds in fixed deposits during 2011-16

Sr. No.	Name of Market Committee	Expected Interest at a minimum rate of 7 per cent on the closing balance at the end of each month	Actual Interest at the rate of 4 per cent on the closing balance at the end of each month	Loss of interest due to non-investment of excess fund (₹ in lakh)
1	Barwala	57.14	32.65	24.49
2	Adampur	151.80	86.74	65.06
3	Hisar	73.06	41.75	31.31
4	Narnaud	51.00	29.14	21.86
5	Sahabad	77.96	44.55	33.41
6	Pipli	45.24	25.85	19.39
7	Babain	43.26	24.72	18.54
8	Ladwa	44.05	25.17	18.88
9	Thanesar	110.85	63.34	47.51
10	Pehowa	70.77	40.44	30.33
11	Kalayath	33.50	19.14	14.36
12	Dhand	107.05	61.17	45.87
13	Faridabad	117.05	66.88	50.17
14	Ballabgarh	96.09	54.91	41.18
15	Tohana	108.77	62.15	46.62
16	Dharsul	47.68	27.24	20.44
17	Bhuna	42.26	24.15	18.11
18	Jakhal	31.79	18.16	13.63
19	Bhattu Kalan	42.16	24.09	18.07
20	Kalanwali	48.94	27.96	20.98
<b>Total</b>				<b>600.21</b>

Source: Worked out by Audit from records of MCs

**Appendix 2.3**

**(Reference: Paragraph 2.1.7.5; Page 13)**

**Details of godown rent not recovered**

Sr. No.	Market Committee	Amount (₹ in lakh)	Period	Agency
1	Karnal	11.35	April 2009 to November 2015	Food, Civil Supplies & Consumer Affair Department
2	Ladwa	4.76	August 2008 to December 2015	Private agency
	Thaneshar	1.25	August 2006 to December 2015	Private agency
		4.95	April 2015 to February 2016	Federation of Consumers Cooperative Wholesale Stores Ltd.
4	Dhand	15.58	April 2014 to March 2016	Private agency
5	Pundri	3.23	May 1997 to March 2014	Food, Civil Supplies & Consumer Affair Department
		4.16	May 2008 to March 2014	Haryana State Co-operative Supply and Marketing Federation Limited
6	Ballabhgarh	29.51	April 2007 to March 2016	Food, Civil Supplies & Consumer Affair Department
7	Sirsa	23.32	April 2011 to June 2015	Private agency
8	Rania	3.10	April 2015 to March 2016	Food, Civil Supplies & Consumer Affair Department
<b>Total</b>		<b>101.21</b>		

**Private Agencies: ₹ 44.91 lakh, Government Agencies: ₹ 56.30 lakh**

**Source: Records of MCs**

### Appendix 2.4

(Reference: Paragraph 2.1.7.5; Page 13)

#### Details of non-recovery of water and sewerage charges for the period 2011-16

Sr. No	Name of MC	Amount (₹ in lakh)	Remarks
1.	Barwala	2.47	Not recovered
2.	Ladwa	1.39	Not recovered
3.	Pai	0.08	Not recovered
4.	Pipli	5.58	Not levied
5.	Babain	2.95	Not levied
6.	Thanesar	7.85	Not levied
7.	Ismailabad	5.47	Not levied
8.	Dhand	4.28	Not levied
9.	Pundri	5.95	Not levied
10.	Fatehabad	8.32	Not levied
11.	Bhattu Kalan	2.92	Not levied
12.	Faridabad	9.14	Not levied
<b>Total</b>		<b>56.40</b>	

Not recovered: ₹ 3.94 lakh Not levied: ₹52.46 lakh

Source: Worked out by Audit from records of MCs

## Appendix 2.5

(Reference: Paragraph 2.1.7.5; Page 13)

### Details of non-recovery of balance amount of shop/booth plots

Sr. No.	Market Committee	Year of allotment	No of plots	Total amount (₹ in lakh)	Sub-judice amount	Balance
1	Karnal	2009	31	107.20	0	107.20
2	Barwala	2000, 2008, 2013	28	1,226.53	706.38	520.15
3	Adampur	2008, 2011	2	16.19	0	16.19
4	Pipli	1991, 2001, 2008	14	336.08	211.60	124.48
5	Ladwa	2004	26	568.42	79.11	489.31
6	Thanesar	1999	5	321.38	321.38	0
7	Ismailabad	1999	5	532.76	0	532.76
8	Pehwa	2008,2010	16	43.46	0	43.46
9	Dhand	2002,2004,2011	38	160.78	87.21	73.57
10	Cheeka	2009,2010,2011	9	89.71	10.82	78.89
11	Pundari	2001,2008,2009,2013	89	936.67	375.76	560.91
12	Faridabad	1990, 2001,2008, 2009,2010	36	2,510.90	1,003.93	1,506.97
13	Balabhgarh	1993,2000,2004,2010,2012,	328	748.84	0	748.84
14	Tohana	2001,2011	8	315.66	0	315.66
15	Dharsul	1977,1979,1981,1982,2001,2006	83	382.29	208.28	174.01
16	Fatehabad	1997,2005,2007,2010,2011	25	348.07	23.66	324.41
17	Ding	1998,2008,2009	3	54.65	0	54.65
18	Sirsa	2006,2007,2008,2009,2011	40	683.14	59.93	623.21
<b>Total</b>				<b>9,382.73</b>	<b>3,088.06</b>	<b>6,294.67</b>

Source: Records of MCs

### Appendix 2.6

(Reference: Paragraph 2.1.7.5; Page 14)

#### Details of non-recovery of enhanced land compensation

Sr. No	Market Committee	Area of land	Year of acquisition	Enhancement paid (₹ in lakh)	Month of payment	Loss of interest @ 12 per cent (₹ in lakh)
1	Karnal	167.67 acre 4 kanal 17 marla	1992/1994	1,980.52	January 2014 to Dec 2014	297.08
2	Adampur	3 acre 1 kanal 9 marla	2000	259.96	May 2009	181.97
3	Ganaur	64 kanal 10 marla	1999	106.93	March 2009	76.98
4	Ismailabad	269 Kanal 12 Marla	1989	569.57	Sep 2012	239.21
5	Dabwali	30 acre 6 Kanal 10 Marla	2000	20.02	Nov 2012	8.00
<b>Total</b>				<b>2,937.00</b>		<b>803.24</b>

Source:- Worked out by Audit on the basis of records of MCs

## Appendix 2.7

(Reference: Paragraph 2.1.8.1; Page 14)

### Details of Infrastructural facilities in mandis not provided

Sr. No.	Market Committee	Principal Yard/ Sub Yard	Facility not Provided
1	Ratia	Pr. Yard	Boundary Wall, Weighbridge, Canteen,
2	Barwala	Pr. Yard	Canteen,
		Sub Yard	Weighbridge, Dormitory, Canteen
3	Adampur	Pr. Yard	Weighbridge, Canteen,
		Sub Yard	Canteen,
4	Uklana	Pr. Yard	Dormitory, Weighbridge, Canteen,
		Sub Yard	Weighbridge, Dormitory, Canteen
5	Hisar	Pr. Yard	-
		Sub Yard	Weighbridge, Dormitory, Canteen
6	Hansi	Pr. Yard	Weighbridge, Dormitory, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
7	Narnaund	Pr. Yard	Dormitory, Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
8	Sonepat	Pr. Yard	Check post, Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
9	Gohana	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
10	Ganaur	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
11	Shahbad (M)	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
12	Pipli	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
13	Babain	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory, Canteen
14	Ladwa	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Canteen
15	Thanesar	Pr. Yard	Boundary wall, Weighbridge, Canteen
		Sub Yard	Weighbridge, Canteen
16	Ismailabad	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Common Platform, covered platform, internal & services roads, Weighbridge, Canteen, Dormitory & toilets
17	Pehowa	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Canteen, Dormitory & Toilets
18	Kaithal	Pr. Yard	Weighbridge, Canteen
19	Kalayat	Pr. Yard	50% covered Platform, Weighbridge, Canteen
		Sub Yard	Boundary wall, Weighbridge, Dormitory, Canteen
20	Siwan	Pr. Yard	Dormitory, Weighbridge, Canteen
21	Dhand	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Canteen , Dormitory & Toilets
22	Cheeka	Pr. Yard	Weighbridge
		Sub Yard	Weighbridge
23	Pai	Pr. Yard	Weighbridge, Canteen
24	Pundri	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Boundary wall, Check Post, Common Platform, covered platform, Weighbridge, Canteen, Dormitory & toilets, common auction platform
25	Faridibad	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Canteen , Dormitory & Toilets



Sr. No.	Market Committee	Principal Yard/ Sub Yard	Facility not Provided
26	Ballabgarh	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Canteen , Dormitory & Toilets
27	Tohana	Pr. Yard	Dormitory & toilets, Canteen, Weighbridge.
		Sub Yard	Dormitory & toilets, canteen, Weighbridge.
28	Dharsul	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Boundary wall, Check Post, Common Platform, covered platform, Weighbridge, Canteen, Dormitory & toilets, common auction platform
29	Bhuna	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Boundary Wall, Check post, covered platform, Weighbridge , Canteen ,Dormitory & toilets
30	Jakhal	Pr. Yard	Weighbridge, Canteen
31	Fatehabad	Pr. Yard	Canteen
		Sub Yard	Weighbridge, Dormitory & toilets, Canteen
32	Ding	Pr. Yard	Canteen
		Sub Yard	Weighbridge, Dormitory & toilets, Canteen
33	Battu Kalan	Pr. Yard	Canteen
34	Sirsa	Pr. Yard	Canteen, Weighbridge.
		Sub Yard	Weighbridge, Dormitory & toilets, Canteen
35	Dabwali	Pr. Yard	Canteen
		Sub Yard	Weighbridge, Dormitory & toilets, Canteen
36	Kalanwali	Pr. Yard	Weighbridge
		Sub Yard	Weighbridge, Dormitory & toilets, Canteen
37	Ellenabad	Pr. Yard	Canteen, Weighbridge.
		Sub Yard	Boundary wall, Check Post, Common Platform, covered platform, internal & services roads, Weighbridge, Canteen, Dormitory & toilets, Light Tower, common auction platform
38	Rania	Pr. Yard	Weighbridge, Canteen
		Sub Yard	Weighbridge, Dormitory & toilets, Canteen

Source: Information given by MCs

**Appendix 2.8**

(Reference: Paragraph 2.1.8.2; Page 15)

**Details of business activities not related to agriculture produce**

Sr. No.	Name of MC/mandi	Shop No.	Business other than agriculture produce
1	Ratia/NGM	75	Gun House
		208	Advertisement agency
		149	Jewellery shop
		145	Jewellery shop
		140	Jewellery shop
		123	Jewellery shop
		169	Jewellery shop
		26	Jewellery shop
		164	Jewellery shop
		145	Accountant
		174	Resort and catering sevices
2	Karnal/NGM	553	Medical clinic
		433-434, 416-417, 452	Banking activity
		175	Mobile tower
3	Hisar/NGM	2	Property dealing, Cement store,
		7	Cement
		8	Dental clinic
		227	Family choice products
		258	Accountant
		251	Cement store
		86	Iron store
		41-43	Oil manufacturing unit
		120	Cement store
		121	Gum and chemical shop
		129	Mineral water
		233	Modern kitchen
		170	Samsung shop
4	Kalayat/NGM	13, 41, 64	Harware shop (iron and steel)
5	Pundri/NGM	3,5,14,38,21,91,98,23,64	Iron and Hardware
6	Faridabad/NVM Faridabad	128-129	Guest House
		119	Global Financial Services
		38	Play school
		24	Gymnasium
		19	King club
7	Faridabad/NVM Dabua	110	Meat shop
8	Ballabgarh/NVM	22	Private Business
		13	Medical shop
		9	Shoe shop
		11	Provision store
		7	Electric shop
		6	Electric workshop
		1	Wholesale business
		23	Provision store
		3	Godown
		20	Godown

Sr. No.	Name of MC/mandi	Shop No.	Business other than agriculture produce
		42	Bakery
		41	Transport
		29	Transport and shoe shop
		33	Polythene shop
		14	Bardana business
		16	Workshop
		21	Bakery
		43	Property dealing
		25	Rice shop
		18	Godown
		66	Godown
		48	Provisional store
		54	Provisional store
9	Fatehabad/NGM	25	Cement store
		55	Battery shop
	Fatehabad/NVM	52	Shoe shop
		61	Bank
		49	Provisional store
10	Bhattu Kalan/NGM	7	Cloth store
		8A	Electric shop
		8B	Sanitary shop
		20A	Provision store
		20B	Electric shop
		31B	Confectionary shop
		34	Cloth shop
		37	Tent house
		39	Furniture shop
		40	Provisional store
		50	Provisional store
		52B	-do-
		58A	Sanitary shop
		58B	Hardware shop
		59	Provisional shop
		60A	Plastic store
		60B	General store
		62	Iron store
		63	General store
		64A	Provisional store
		65	-do-
		66A	Book shop
		66B	Hardware store
		68A	Provisional store
		74	Cloth shop
		75	-do-
		76	Provisional store
		79A	-do-
		81	-do-
		85A	-do-
86A	Paint shop		
86B	Provisional store		
90	<i>Khal Binola</i> shop		
93 B	Provisional store		

<b>Sr. No.</b>	<b>Name of MC/mandi</b>	<b>Shop No.</b>	<b>Business other than agriculture produce</b>
		94A	Provisional store
		94B	Iron store
		96	Provisional store
		112	-do-
		118	Jewellery shop
		136B	Confectionary shop
		139	Tent house
		158	Furniture shop
11	Kalanwali	4	Jewellery shop
		31, 104	Pipe and hardware store
		109	Tubewell shop
		135	Iron store

**Source: Joint physical verification/inspection along with officials of MCs**

## Appendix 2.9

(Reference: Paragraph 2.1.8.4; Page 16)

**Details of irregular construction of basement in shops/booths and upper storey on booths**

Sr. No.	Name of MC	Shops/ Booth No.	Amount of penalty at 15 percent of allotment price (₹ in lakh)	Remarks
1	Adampur	1,2,10,11,12,13,19,20,21,23, 28,29,40,41	61.29	Basement in shops
2	Hissar	1,2,3,4,7,10,16, 20	19.88	Basement in shops
3	Gohana	221,228,272,284,286,322	2.78	Upper storey on booths
4	Pehowa	15, 170	2.65	Basement in shop and upper storey on booth
5	Pundri	142, 143	2.68	Basement in shops
6	Ballabgarh	6,7,8,9,10,11,14,15,17,18,19,24,25,28,39,44, 50,53,54,55,57,65,66,70,77	71.60	Basement in shops
7	Tohana	1 to 20	35.17	Basement in shops
8	Fatehabad	27,29,30,32,36,49,51,52,53,54,57,65	26.11	Basement in shops
9	Ellanabad	27,36,39,41,43,44,45	10.84	Basement in shop and upper storey on booth
10	Ladwa	10,11,30,33	5.51	Basement in shops
<b>Total</b>			<b>238.51</b>	

**Source: Joint physical verification/inspection of MCs along with their staff.**

**Appendix 2.10**

**(Reference: Paragraph 2.1.8.6; Page 17)**

**Details of encroachment on *mandi* land**

Sr. No.	Market Committee	Encroached area	Type of encroachment
1	Ratia	Parking Space	Shops No. 184 has been converted into 4 to 5 shops/booths and adjoining parking area had been encroached by making shed.
2	Hisar	Covered platform and stacking space in front of shops	Shop No. 229, 238, 239, 241, 81, 83, 86, 248, 249, 250, 256 had constructed sheds on area marked for stacking of agriculture produce and covered platform is being used as personal space.
3	Kaithal	Area in front of shop and booths	Shop No. 116 and booth no 27,31,33 had constructed sheds on area marked for stacking of agriculture produce and covered platform is being used as personal space.
4	Faridabad	Area in front of shops and backside of shops	Shop No. 16,17,18,19,21,22,24,27,28,33,35,36,37,38, 86,96,98,99,100,101,105,112,123 had constructed sheds in front of shop on area marked for stacking of agriculture produce and shop no 17 to 38 and 105 had constructed toilets and bathroom on backside of shops on <i>mandi</i> land.
5	Ballabhgarh	Area in front of shops	Shop No. 1,2,3,4,5,12,13,16,21,22,23,24,25,26,27,28, 33,40,41,42,43 had constructed sheds in front of shops on area marked for stacking of agriculture produce.

**Source: Joint physical verification/inspection of MCs along with MCs officials**

## Appendix 2.11

(Reference: Paragraph 2.1.11.1; Page 21)

### Details of staff position of the Board

#### 1. Administrative Wing

Sr. No.	Designation	Sanctioned strength	Men in position	Shortage	Percentage
1	Administrative Officer	2	2	-	-
2	Superintendent & Dy. Superintendent	39	23	16	41
3	Assistant	52	33	19	36
4	Clerk & Sub-divisional Clerk	250	131	119	47

#### 2. Enforcement Wing

Sr. No.	Designation	Sanctioned strength	Men in position	Shortage	Percentage
1	Chief Marketing Enforcement Officer	1	1	-	-
2	Marketing Development Officer	1	1	-	-
3	Zonal Marketing Enforcement Officer	4	3	1	25
4	District Marketing Enforcement Officer	21	18	3	14
5	Secretary cum Executive Officer	106	103	3	3
6	Assistant Secretaries	156	81	75	48
7	Accountant	129	78	51	40
8	Agri-Business Managers	21	14	7	33

#### 3. Accounts Wing

Sr. No.	Designation	Sanctioned strength	Men in position	Shortage	Percentage
1	Controller, Finance and Accounts	1	1	-	-
2	Sr. Accounts Officer and Accounts officer	8	8	-	-
3	Section officer and Assistant Audit Officer	8	4	4	50
4	Divisional Accountant	21	10	11	52

#### 4. Construction Wing

Sr. No.	Designation	Sanctioned strength	Men in position	Shortage	Percentage
1	Engineer-in-Chief and Chief Engineer	3	2	1	33
2	Superintending Engineer	9	9	-	-
3	Executive Engineers	27	27	-	-
4	Sub-divisional Engineer	88	88	-	-
5	Junior Engineer (JE)	297	237	60	20
6	Circle Head Draftsman, Head Draftsman and Assistant Draftsman	80	69	11	13
7	Sr. Town Planner and Architect	2	2	-	-
8	Assistant Architect, Architectural assistant, Sr. Draftsman (Architectural) and Junior Draftsman (Architectural)	8	4	4	50

**Source: Information provided by the Board**

**Appendix 2.12**

(Reference: Paragraph 2.1.12; Page 22)

**Details showing frequency of conducting of internal audit**

Sr. No.	Name of MC	Frequency of Internal Audit during last five years.	Month of internal Audit	Initial reply received or not
1	Barwala	1	November 2014	No
2	Adampur	1	November 2014	No
3	Uklana	1	November 2014	No
4	Hisar	1	November 2014	No
5	Hansi	1	June 2014	No
6	Narnaud	1	November 2014	No
7	Sonepat	1	June 2014	No
8	Gohana	1	December 2014	No
9	Ganaur	1	July 2015	No
10	Sahabad	1	December 2014	No
11	Babain	0	-	-
12	Pipli	0	-	-
13	Ladwa	1	February 2015	No
14	Thanesar	1	August 2012	No
15	Ismailabad	1	July 2012	No
16	Pehowa	1	March 2015	No
17	Kaithal	1	September 2012	No
18	Kalayath	1	February 2015	No
19	Siwan	0	-	-
20	Dhand	1	February 2015	No
21	Cheeka	1	September 2012	No
22	Pai	1	March 2015	No
23	Pundri	1	February 2015	No
24	Faridabad	0	-	-
25	Ballabgarh	0	-	-
26	Tohana	1	December 2014	No
27	Dharssul	1	March 2015	No
28	Bhuna	0	-	-
29	Jakhal	1	March 2015	No
30	Fatehabad	1	March 2015	No
31	Ding	0	-	-
32	Bhattu Kalan	1	March 2015	No
33	Sirsa	1	January 2014	No
34	Dabwali	1	March 2015	No
35	Kalanwali	1	September 2013	No
36	Ellanabad	1	August 2015	No
37	Rania	1	March 2015	No
38	Ratia	1	February 2015	No
39	Karnal	1	September 2015	No

Source: Records of MCs



## Appendix 2.13

(Reference: Paragraph 2.1.12; Page 23)

## Details of surprise checks by enforcement staff during 2011-16

DMEO	Year									
	₹ in lakh									
	2011-12		2012-13		2013-14		2014-15		2015-16	
No. of inspections	Market Fees recovered	No. of inspections	Market Fees recovered	No. of inspections	Market Fees recovered	No. of inspections	Market Fees recovered	No. of inspections	Market Fees recovered	
Sirsa	17	4.88	1	0.07	17	1.84	30	2.99	8	0.72
Fatehabad	0	0	0	0	0	0	10	0.32	5	0
Kaithal	0	0	0	0	0	0	0	0	0	0
Faridabad	1	1.00	9	1.06	0	0	1	.05	0	0
Sonipat	0	0	25	0.56	0	0	2	0	0	0
Hisar	66	0.39	114	1.91	97	2.14	106	2.13	323	1.06
<b>Total</b>	<b>84</b>	<b>6.27</b>	<b>149</b>	<b>3.6</b>	<b>114</b>	<b>3.98</b>	<b>149</b>	<b>5.49</b>	<b>336</b>	<b>1.78</b>

The staff of Kurukshetra conducted 93 inspections during last five years and recovered ₹ 3.63 lakh. Year wise details were not available.

Source: Records of DMEOs

**Appendix 2.14**

(Reference: Paragraph 2.2.7.4; Page 29)

**Details showing financial loss due to collection of hostel fee at old rates**

Financial Year/ Session	Class/Batch of MBBS student	Number of Students	Revised Fee from session 2013-14 (Per student in ₹)	Fees collected from Batches prior to session 2013-14 (Per student in ₹)	Difference	Financial loss
1	2	3	4	5	6	7 (3x6)
2013-14	2 <sup>nd</sup> year (Batch 2012-13)	187	15,200	8,100	7,100	13,27,700
	3 <sup>rd</sup> year (Batch 2011-12)	185	15,200	8,100	7,100	13,13,500
	4 <sup>th</sup> year (Batch 2010-11)	139	15,200	8,100	7,100	9,86,900
	Final/5 <sup>th</sup> year (Batch 2009-10)	146	8,200	3,795	4,405	6,43,130
2014-15	3 <sup>rd</sup> year (Batch 2012-13)	186	15,200	8,100	7,100	13,20,600
	4 <sup>th</sup> year (Batch 2011-12)	187	15,200	8,100	7,100	13,27,700
	Final/5 <sup>th</sup> year (Batch 2010-11)	141	8,200	3,795	4,405	6,21,105
2015-16	4 <sup>th</sup> year Batch 2012-13	190	15,200	8,100	7,100	13,49,000
	Final/5 <sup>th</sup> year (Batch 2011-12)	181	8,200	3,795	4,405	7,97,305
<b>Total</b>						<b>96,86,940.00</b>

(Source: Data compiled by Audit from records of the Institute)

## Appendix 2.15

(Reference: Paragraph 2.2.8.1; Page 29)

## Details showing shortage of machinery and equipment in different departments

Sr. No.	Department	Details of deficient machinery/equipment	Remarks and reply of the Department/Institute
1.	Cardiac Surgery	(i) Shortage of anaesthesia machine. (ii) Non availability of 29 other machines and equipment ( <i>Appendix 2.16</i> ). (iii) 13 machines and equipment were 11 to 16 years old ( <i>Appendix 2.16</i> ). (iv) Two heart lung machine out of order since 2010. (v) Blood gas analyser not working due to non-purchase of reagents.	The proposal to purchase new anaesthesia machine was made in 2010 by the Department but purchases not made (October 2016). The Department submitted the requirements for machinery/ equipment during 2011-16 to the Director, but no efforts made to purchase machinery/equipment.
2.	Cardiology	(i) One cardiac cath laboratory available with the department was 12 years old. (ii) Eight bed were demanded (July 2011) but no beds were provided. (iii) ECG Machine (3), Syringe Infusion Pumps (10), Defibrillator (3), ECHO (1), Central Station (1), and Bed side monitors (8) were 12 years old and needed frequent repair.	Major procedures performed decreased from 1073 in 2011 to 216 in 2015. The Department made many references during 2010-12 for new catheterization laboratory and equipment but these had not been purchased. The Department admitted (April 2016) the facts regarding obsolescence and inadequacy of machines and equipment and shortage of manpower.
3.	Nephrology	(i) No dialysis machine was available in the Department against the requirement of 20. (ii) Against the requirement of 47 equipment (Monitor, Hemo-dialysis machine, Dialysis Chair, Dialysis Re-processor), 10 were available.	Ten dialysis machines were proposed (May 2014) to be purchased but purchase was not made till February 2016.
4	Neurology	(i) Shortage of Ventilators, Defibrillator, Syringe Infusion Pumps, ECG machine, Bed side multi channel monitor, Section machine, etc.	The demand sent to the Director in September 2013 but no efforts made to purchase the equipment.
5.	Neurosurgery	(i) Shortage of 15 numbers of machines/equipment ( <i>Appendix 2.17</i> ). (ii) Against the bed capacity of 18 (12 for ward and 6 for ICU), only two ventilators were available.	Requirement for purchase of machinery was sent to Director during 2010-14 but the purchases had not been made (March 2016).
6.	Urology	(i) Machinery and equipment installed in the Department during 2011-15 were not in working order ( <i>Appendix 2.18</i> ).	The requirement of equipment was sent to Director 7 to 8 years back but purchases had not been made (March 2016).
7	Nuclear Medicine	(i) For establishment of Nuclear medicine Super speciality centre, Detailed Project Report sent to the Government in November 2013.	The proposal not approved (May 2016); despite regular pursuance by the Department.

<b>Sr. No.</b>	<b>Department</b>	<b>Details of deficient machinery/equipment</b>	<b>Remarks and reply of the Department/Institute</b>
8	Anaesthesia	(i) Against the requirement of 23 anaesthesia machines, 15 machines were available and one was out of order resulting in less use of operation tables. (ii) Against 8 bedded ICU of the department, 7 ventilators were available.	The requirement of Anaesthesia machines (12), Vital Sign Monitor (44), Defibrillator (11) and Ventilator (2) sent to the Director since 2010 but the purchases were not been made.
9.	Pulmonary and Critical Care	(i) Shortage of Machinery like Endopronhial Ultra-sound System (EBUS), Non-invasive Ventilators, Digital Electro Encephalo Gram and Extra Corporal Membrane Oxygenation. (ii) Videopleuro Scope was demanded (July 2014) for providing training of D.M. fellows and starting interventional pulmonary course.	The demand for these equipment/ machinery was sent in July 2014 but purchase was not made.
10	Radiotherapy	(i) Cobalt 60 Teletherapy Machine available in the Department was of an obsolete technology. To provide focused radiotherapy treatment, Linear Accelerate (LINAC) was required for which funds of ₹ 17 crore under PMSSY were sanctioned. (ii) Medical equipment such as simulator, styro foam cutters, second standard dosimeter, digital contamination monitor and gamma zone monitor, etc. were also not in working condition.	Case for purchase of LINAC was sent to the Director in December 2009. Detailed project costing ₹ 250 crore was sent to State Government for up-gradation of RCC (including staff, equipment and other infrastructure) by Vice-chancellor in January 2010. The RCC had not been upgraded (May 2016).
11	Surgery	(i) Deficient in the equipment like video simulator for laparoscopic surgery, surgical robot, plasma sterilizer, vessel sealing system, ultrasound aspirator, video endoscopy system, etc. (ii) There were no separate ICU and separate beds/ventilators for the Department. (iii) OT tables for the Department were reduced from four in 2011-12 to two daily in 2015 resulting in conducting of less number of operations from 3008 in 2011 to 2223 in 2015.	Demand for these equipment had consistently been sent since 2003-04 to the Director but these equipment had not been purchased (May 2016).
12.	Ophthalmology	(i) Shortage of Nd-YAG laser. The shortage of Nd-YAG laser affecting nearly 1800 needy patients (monthly) who required urgent treatment in vision threatening problems such as angle closer, glaucoma and capsule opacification, etc. The patients had no alternative but to avail the facility after paying high prices to the private practitioners. (ii) There was a waiting period of two to three weeks for major eye surgeries due to non-availability of general anaesthesia on all working days of the OT and limited OTs	The department made references between July 2015 and January 2016 to the Director office for purchase of these equipment. The approximate cost of the equipment was below ₹ 10 lakh which was within the competency of the Director but the same had not been purchased.

Sr. No.	Department	Details of deficient machinery/equipment	Remarks and reply of the Department/Institute
13.	Radio Diagnosis	<p><b>(i) CT Scan:</b> One CT scan was 15 years old. Another one was condemned in 2009 but yet to be replaced (August 2016). The equipment remained out of order for 11 to 72 days during 2011 to 2015. Due to shortage of CT scan, waiting period for patients was up to four months.</p> <p><b>(ii) Magnetic resonance imaging system (MRI):</b> One MRI was 13 years old. Requirement for another one was sent during 2011-16 by the Department but not purchased (August 2016). The equipment remained out of order for 30 and 83 days in 2013 and 2014 respectively. Due to shortage of MRIs, waiting period for patients was up to one year.</p> <p><b>(iii) Digital Subtraction Angiography system:</b> Not purchased though demand sent in January 2009 by Department (August 2016).</p> <p><b>(iv) Picture Archiving Communication system:</b> Not purchased though demand sent in January 2009 by Department (August 2016).</p> <p><b>(v) X-Rays units:</b> 10 units were nine to 13 years old. Demand sent for 26 portable and seven High frequency machines during December 2008 and January 2011 but not purchased (August 2016).</p> <p><b>(vi) Ultra-sound:</b> Requirement for six ultra sound machines (4 for new OPD and 2 for Trauma centre) sent between November 2008 and November 2015 but not purchased (August 2016).</p>	<p>Thus, the radio diagnosis equipment had not been purchased by the Institute for a long time although budget was sanctioned under Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) in February 2009 for these items. Old and inadequate equipment affected the timeliness of medical care services as diagnosis is the first stage to treating a patient.</p> <p>The Director of the Institute stated (August 2016) that one CT scan and one MRI machine had already been installed under Public Private Partnership (PPP) mode in OPD and was fully functional from June 2016. In addition, procurement of other equipment was in the final stage.</p>

Source: Information compiled by Audit from the records of the Institute

**Appendix 2.16**

(Reference: Appendix 2.15; Page 139)

**Details of machinery and equipment required, available and shortage in Cardiac Surgery Department**

Sr. No.	Name of Machinery/ equipment	Requirement	Available	Shortage	Year & Period of purchase.
1.	Mechanical Ventilator	8	5	3	16 Years
2.	Heart Lung Machine	1	2	-	15 Years
3.	Blood Gas Analyser	1	1	-	11 Years
4.	High Vacuum Suction Pump	8	4	4	11 Years
5.	ICU Beds	8	5	3	10 Years
6.	Infusion Pumps	20	10	10	14 Years
7.	Automatic Autoclave	1	1	-	14 Years
8.	Cardiac Surgery Patients Monitor	5	9	-	16 Years
9.	OT Table	2	1	1	14 Years
10.	OT Light with wide camera with wall monitors	1	1	-	14 Years
11.	Electro Surgical Unit/Cautery	1	2	-	14 Years
12.	Intra Aortic Balloon Pump	1	2	-	16 Years
13.	Cardio Thoracic Surgical Instruments	1	1	-	15 Years
14.	Flexible Fiberoptic Bronchoscope	2	NIL	2	-
15.	Plasma Sterilizer	1	NIL	1	-
16.	Transesophageal Echo Cardiography Live 3D Machine	1	NIL	1	-
17.	Minimally Invasive Cardiac Surgery Instruments sets	1	NIL	1	-
18.	ECMO	1	NIL	1	-
19.	Cell Saver	1	NIL	1	-
20.	Cerebral Oxymetry	1	NIL	1	-
<b>Total</b>				<b>29</b>	

(Source: Data furnished by the Institute)

### Appendix 2.17

(Reference: Appendix 2.15; Page 139)

#### Details of machinery and equipment required but not purchased in Neurosurgery Department

Sr. No.	Name of Machinery and quantity	Requisition sent to Director	Remarks
1.	Patient Monitor with Central Station (6)	June 2010	Order placed
2.	Bipolar Surgical Unit with Irrigation System(1)		Not purchased
3.	Syringe Infusion Pump(10)		Order placed
4.	Micro vascular Neurosurgical Instrument (1)	October 2010	Not purchased
5.	Head Frame	November.2010	Not purchased
6.	High Speed Drill and Cranial Stabilization system for Trauma Centre	October 2013	Not purchased
7.	Electro Surgical Unit	December 2014	Not purchased
8.	Monitor with Central Station	March .2014	Order placed
9.	Defibrillator		Not purchased
10.	Syringe Infusion High speed drill		Order placed
11.	Pneumatic Drill System		Not purchased
12.	Microscope	March 2014	Not purchased
13.	C-Arm		Not purchased
14.	Micro Surgical Instruments for Cranial Surgery and Spinal Surgery		Not purchased
15.	Drill Machine		Not purchased

(Source: Data furnished by the Institute)

**Appendix 2.18**

**(Reference: Appendix 2.15; Page 139)**

**Details of machinery and equipment not in working condition in Urology Department**

<b>Sr. No.</b>	<b>Machinery/equipment</b>	<b>Installation</b>	<b>Condition of Machine</b>
1.	Bipolar TURP	April 2012	Not working since January 2016
2.	Fully Stainless Automatic Scrub Station	September 2012	Not working since March 2015
3.	Miniature Nephroscope	March 2014	Not working since February 2015
4.	Flexible Ureteroscope	Not Available	Not working since October 2015
5.	Telescope(4)	April 2012	Three not working
6.	Telescope (3)	May 2015	One not working
7.	Polyscole	June 2011	Break down for 7 months

**(Source: Data furnished by the Institute)**



**Appendix 2.19****(Reference: Paragraph 2.2.8.3 (iii) ; Page 32)****Statement showing the existence of effluent beyond permissible limit**

<b>Sr. No.</b>	<b>Effluent</b>	<b>As per report</b>	<b>Permissible limit</b>
1.	Odour	Bad	-
2.	Total Suspended Solids, mg/l	440.0	100.0
3.	Biological oxygen demand BOD mg/l	140.0	30.0
4.	Chemical oxygen demand, mg/l	428.0	250.0
5.	Oil & Grease, mg/l	14.0	10

**(Report of Haryana State Pollution Control Board dated 28 October 2015)**

## Appendix 2.20

(Reference: Paragraph 2.2.10.1; Page 37)

**Details showing number of doctors, range of h-index and Cumulative h-index of different departments**

Sr. No.	Name of Department	Number of faculty	Range of h-index	Cumulative h-index	Average contribution per faculty
1.	Neurology	1	10	10	10
2.	Nephrology	2	0-16	16	8
3.	Orthopedics	11	0-15	60	5.45
4.	Pulmonary & Critical Care Medicine	2	3-7	10	5
5.	Blood Transfusion	1	4	4	4
6.	Obstetrics and Gynaecology	18	0-10	71	3.94
7.	Medicine	19	0-10	63	3.32
8.	Cardiology	1	3	3	3
9.	Neurosurgery	3	1-6	7	2.33
10.	Mental Health	9	0-9	20	2.22
11.	Medical Gastroenterology	1	2	2	2
12.	Pediatric	14	0-11	26	1.86
13.	Dermatology	4	1-3	7	1.75
14.	Urology	3	NA	4	1.33
15.	Ophthalmology	15	0-9	18	1.2
16.	Anaesthesiology	22	0-5	25	1.14
17.	Radio-diagnosis	6	NA	6.5	1.08
18.	Cardio surgery	3	NA	3	1
19.	Biotechnology	4	NA	4	1
20.	Nursing	12	0-1	1	0.08
21.	Burn and Plastic Surgery	2	0	0	0

(Data Supplied by Audit from the records of the Institute)

## Appendix 2.21

(Reference: Paragraph 2.2.11.1; Page 38)

## Details of sanctioned strength and actual strength in various cadres

Name of post	Year														
	2011-12			2012-13			2013-14			2014-15			2015-16		
	S	F	V	S	F	V	S	F	V	S	F	V	S	F	V
Senior Professors	75	60	15	75	61	14	75	62	13	75	63	12	83	60	23
Teachers	289	211	78	289	207	82	289	213	76	288	212	76	290	226	64
Sr. Residents	191	97	94	191	93	98	191	94	97	191	88	103	261	95	166
Demonstrators	62	50	12	62	50	12	62	45	17	62	48	14	74	57	17
Nursing Sister	155	149	06	155	154	01	198	152	46	198	181	17	228	172	56
Staff Nurse	618	548	70	618	581	37	703	588	115	703	652	51	1118	649	472
Class-II	65	40	25	68	43	25	68	41	27	68	41	27	68	37	31
Class-III	1,155	810	345	1,110	793	317	1,106	787	319	1,107	762	345	1321	754	567
Class-IV	1,158	826	332	1,158	776	382	1,191	721	470	1,209	658	551	1191	614	577
College of Nursing	42	23	19	42	23	19	42	29	13	42	29	13	42	28	14
<b>Total</b>	<b>3,810</b>	<b>2,814</b>	<b>996</b>	<b>3,768</b>	<b>2,781</b>	<b>987</b>	<b>3,925</b>	<b>2,732</b>	<b>1,193</b>	<b>3,943</b>	<b>2,734</b>	<b>1,209</b>	<b>4,676</b>	<b>2,692</b>	<b>1,987</b>

(Source: Data supplied by the Institute)

**S: Sanctioned****F: Filled up****V: Vacant**

**Appendix 2.22**

(Reference: Paragraph 2.3.7.2; Page 44)

**Details of delays in release of grants by GOI and the State Government to the Parishad**

(₹ in crore)

Year	Number of Installments/release date	Central Share				State Share			
		Amount	Due date	Date of release	Delay in Days	Amount	Due date	Date of release	Delay in Days
2010-11	Ist (Adhoc)	177.86	15.04.10	31.05.10	46	104.00	15.05.10	27.09.10	134
	Ist (Balance)	150.00	15.04.10	31.12.10	269	104.00	15.05.10	28.01.11	237
	IInd	-	-	-	-	67.50	15.10.10	28.01.11	105
2011-12	Ist (Adhoc)	128.01	15.04.11	20.05.11	34	130.00	15.05.11	25.08.11	102
	Ist (Balance)	64.01	15.04.11	27.06.11	72	-	-	-	-
	IInd	78.59	15.09.11	20.07.11	(56) advance	100.00	15.10.11	09.02.12	117
	III	134.00	15.09.11	12.01.12	120				
2012-13	Ist (Adhoc)	132.28	15.04.12	10.05.12	25	46.30	15.05.12	27.07.12	73
	Ist (Balance)	166.82	15.04.12	16.07.12	92	111.99	15.05.12	23.11.12	192
	IInd	39.00	15.09.12	29.03.13	195	99.77	15.10.12	31.03.13	167
2013-14	Ist (Adhoc)	180.18	15.04.13	01.05.13	15	110.38	15.05.13	02.09.13	109
	Ist (Balance)	44.51	15.04.13	17.02.14	307				
	IInd	75.29	15.09.13	20.03.14	175	10.61	15.10.13	19.03.14	154
	IIIrd	50.91	15.09.13	29.03.14	184	67.95	15.10.13	31.03.14	166
2014-15	Ist (Adhoc)	175.44	15.04.14	27.05.14	43	94.47	15.05.14	14.07.14	59
	Ist (Balance)	52.84	15.04.14	12.09.14	149	28.45	15.05.14	28.11.14	143
	IInd	186.21	15.09.14	11.12.14	86	100.27	15.10.14	30.03.15	165
	III	2.13	15.09.14	02.01.15	109				
	III	4.48	15.09.14	27.03.15	193				
2015-16	Ist (Adhoc)	176.96	15.04.15	13.05.15	27	117.97	15.05.15	06.08.15	82
	Ist (Balance)	91.20	15.04.15	20.10.15	187	60.80	15.05.15	04.01.16	233
	IInd	76.85	15.09.15	23.03.16	203				Yet not received

Source: Information Supplied by the Parishad

## Appendix 2.23

(Reference: Paragraph 2.3.8.1; Page 44)

**Details of children attained the age of enrollment, children enrolled and non-enrollment of children in three districts****Fatehabad**

Year	No of children attained the age of enrolment		No of enrolled Children		Number of non-enrolled children		Non-Percentage enrolment	
	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools
2010-11	1,25,555	69,279	1,21,976	67,428	3,579	1851	2.85	2.67
2011-12	90,067	NA	88,792	NA	1,275	NA	1.42	NA
2012-13	87,985	50,896	83,868	47,809	4,117	3087	4.68	6.07
2013-14	91,016	54,534	90,031	53,861	985	673	1.08	1.23
2014-15	91,641	57,769	88,702	56,066	2,939	1703	3.21	2.95
2015-16	88,849	64,329	90,100	64,012	NA	317	NA	0.49

**Kaithal**

Year	No of children attained the age of enrolment		No of enrolled Children		Number of non-enrolled children		Non-Percentage enrolment	
	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools
2010-11	1,04,809	58,072	1,04,022	57,759	787	313	0.75	0.54
2011-12	1,02,819	58,310	1,02,589	58,148	230	162	0.22	0.28
2012-13	1,08,605	62,737	1,05,676	62,292	2,929	445	2.70	0.71
2013-14	1,08,605	65,874	1,06,268	65,126	2,337	748	2.15	1.14
2014-15	1,06,404	65,760	1,04,367	64,917	2,037	843	1.91	1.28
2015-16	1,00,421	62,048	98,510	61,149	1,911	899	1.90	1.45

**Panipat**

Year	No of children attained the age of enrolment		No of enrolled Children		Number of non-enrolled children		Non-Percentage enrolment	
	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools	Primary Schools	Upper Primary Schools
2010-11	1,10,536	54,366	1,06,684	55,680	3,852	NA	3.48	NA
2011-12	1,12,189	58,911	1,09,110	57,272	3,079	1,639	2.74	2.78
2012-13	1,08,797	57,675	1,09,927	59,495	NA	NA	NA	NA
2013-14	1,17,142	73,873	1,19,457	67,333	NA	6,450	NA	8.85
2014-15	1,24,378	77,780	1,21,079	67,070	3,299	10,710	2.65	13.77
2015-16	1,25,990	80,546	1,16,152	66,792	9,838	13,754	7.81	17.08

Source: Data supplied by the Department and compiled by Audit

**Appendix 3.1**

**(Reference: Paragraph: 3.5.3.4; Page 73)**

**Details of pass percentage of the students**

Year	Name of Trade	Students Appeared	Students Passed	Percentage
<b>(1) ITI Kurukshetra (Women)</b>				
2013-14	Cutting and Sewing	14	0	0
<b>(2) ITI Kurukshetra</b>				
2011-12	Draughtsman (Civil)	16	0	0
2012-13	Electronic	16	0	0
2013-14	Steno (H)	16	05	33.33
2014-15	Wireman	20	05	25
<b>(3) ITI Pundri</b>				
July 2012	Plumber (NCVT)	18	02	11.11
	Welder (SCVT)	30	01	3.33
	Plumber (SCVT)	19	0	0
July 2013	Plumber (NCVT)	17	0	0
July 2014	Plumber (NCVT)	19	05	26.31
July 2015	Plumber (NCVT)	17	1	5.88
	Turner (SCVT)	11	3	27.27
<b>(4) ITI (W) Bahadurgarh</b>				
2014-15	Sewing Technology	13	0	0
	Basic Cosmetology	15	0	0
	Dress making	14	01	7.14
<b>(5) ITI Kaithal</b>				
2010-11	Turner	21	08	38.09
	Electrician	17	07	41.18
	M. C. O. E. C. S.	19	01	05.26
	Draughtsman Mechanical	16	05	31.25
	Wireman	37	06	16.21
	Draughtsman Civil	13	0	0
	Carpenter	35	13	37.14
	Electronic Mechanic	19	0	0
	Steno English	33	13	39.39
	Plumber	33	15	45.45
2011-12	COPA	32	06	18.75
	M. C. O. E. C. S.	14	01	07.14
	Draughtsman Mechanical	13	01	07.69
	Tractor Mechanic	40	14	35
	Electronic Mechanic	18	03	16.67
	Steno English	30	02	06.67
	Plumber	29	07	24.13
2012-13	Fitter	18	05	27.77
	Mechanic Refrigeration & Air conditioning	16	03	18.75
	Wireman	37	09	24.32
	Carpenter	37	12	32.43
	Tractor Mechanic	38	18	47.36
	Plumber	36	08	22.22
2013-14	Draughtsman Mechanical	11	0	0
	Tractor Mechanic	35	05	14.29
	Electronic Mechanic	13	0	0

Year	Name of Trade	Students Appeared	Students Passed	Percentage
2014-15	Mechanic Motor Vehicle	39	18	46.15
	M. C. O. E. C. S.	24	11	45.83
	Painter General	39	14	35.89
	Mechanic Motor Vehicle	22	0	0
<b>(6) ITI Hassangarh</b>				
2010	Carpenter	25	08	32
	Wireman	10	0	0
2011	COPA	31	11	35.48
	Turner	12	04	33
2012	Carpenter	16	07	43.75
2014	COPA	18	02	11.11
2015	RAC	11	0	0
<b>(7) Government ITI (Women) Sirsa</b>				
2011	Steno (English)	19	06	31.57
2014	Electronic (Mechanic)	17	0	0
<b>(8) Government ITI (Women) Faridabad</b>				
2014	Cutting & Sewing	16	10	62.05
2014	Hair & Skin Care	11	01	9
<b>(9) Government ITI Nalwa</b>				
2010	Turner	13	03	23
	Steno (English)	09	02	22
2011	DMC	10	0	0
2012	DMM	15	05	33
	Interior Decorator and design	14	0	0
	Steno (English)	27	01	3.55
2013	Steno (English)	13	06	40
2014	Interior Decorator design	23	05	22
2015	DMC	10	05	50
	DMM	08	04	50
	Steno (English)	27	12	44
<b>(10) Government ITI (W) Kaithal</b>				
2010	Steno (English)	11	03	27
2011	Steno (English)	16	08	50
2012	Steno (English)	16	0	0
	COPA	33	10	30
2014	COPA	37	07	19
	Steno (English)	10	06	60
<b>(11) Government ITI Sadhaura</b>				
2011	Steno (Hindi)	13	0	0
	Welder	26	09	35
	COPA	16	09	56
2012	Welder	32	09	28
	COPA	17	08	47
2014	Welder	23	03	13
	Electrician	22	08	36
2015	COPA	20	06	30
<b>(12) Government ITI Bhiwani (W)</b>				
2015	Hair & Skin Care	19	07	36
	Electronic Mechanic	17	0	0
<b>(13) Government ITI Nissing</b>				
2011	Carpenter	09	03	33
	Welder	27	0	0

Year	Name of Trade	Students Appeared	Students Passed	Percentage
2012	Carpenter	34	01	03
	DMC	14	0	0
2013	Welder	25	10	40
2014	Electrician	22	01	05
	RAC	16	04	25
	DMC	20	09	45
	Electronic	15	02	13
	Cutting & Sewing	08	0	0
2015	Welder	33	10	30
	Wireman	20	04	20
	Sewing Tech.	15	03	20
	<b>96 (Total number of trades)</b>			

Source: Quarterly Progress Report and Information provided by ITIs



### Appendix 3.2

(Reference: Paragraph: 3.11; Page 86)

#### Details of excess amount paid to the service provider

Month	Total man days provided for different posts	Name of Post	Rate of wages per month per person paid to Firm B (in ₹)	Total amount paid to Firm 'B' inclusive of service charge (in ₹)	Minimum wages per month as per government notification and lowest bidder i.e. Firm A (in ₹)	EPF at the rate of 13.61 per cent (in ₹)	ESI at the rate of 4.75 per cent (in ₹)	Total minimum wages per person payable to the lowest bidder i.e. Firm A (in ₹)		Total payable minimum amount (in ₹) (Col.11*Col.2)	Amount payable to lowest bidder inclusive of service charges at the rate of 2.01 per cent of Column 12 (in ₹)	Excess amount (Col. 5–Col. 13) (in ₹)
								per month(Col. 6+ Col.7+ Col. 8)	Per man day (Col. 10/number of days in month)			
1	2	3	4	5	6	7	8	10	11	12	13	14
Sept. 2014	195	Supr.	15,854	1,03,051	9,900	1,347	470	11,717	391	76,245		
	4,652	WA	13,062	20,25,481	8,100	1,102	385	9,587	320	14,88,640		
	570	DEO	15,854	3,56,212	9,900	1,347	470	11,717	391	2,22,870		
	450	Electr.	15,854	2,37,810	9,900	1,347	470	11,717	391	1,75,950		
	60	Tailor	14,458	28,916	9,000	1,225	428	10,653	355	21,300		
	90	Gardnr	13,020	39,186	8,100	1,102	385	9,587	320	28,800		
Oct. 2014	589	DEO	15,855	3,55,577	9,900	1,347	470	11,717	378	2,22,642		
	434	Plumber	15,855	2,21,968	9,900	1,347	470	11,717	378	1,64,052		
	62	Tailor	14,458	28,917	9,000	1,225	428	10,653	344	21,328		
	93	Gardnr	13,062	39,186	8,100	1,102	385	9,587	309	28,737		
	31	Str Kpr	14,458	14,458	9,000	1,225	428	10,653	344	10,664		
	4,978	WA	13,062	20,97,504	8,100	1,102	385	9,587	309	15,38,202		
Nov. 2014	6,138	WA	13,062	27,26,202	8,100	1,102	385	9,587	320	19,64,160		
Dec. 2014	6,496	WA	13,062	27,92,137	8,100	1,102	385	9,587	309	20,07,264		
Jan. 2015	6,494	WA	13,062	27,91,278	8,100	1,102	385	9,587	309	20,06,646		
Feb. 2015	5,800	WA	13,062	27,60,085	8,100	1,102	385	9,587	342	19,83,600		
Mar. 2015	6,301	WA	13,062	27,07,032	8,100	1,102	385	9,587	309	19,47,009		
Apr. 2015	6,243	WA	13,062	27,72,838	8,100	1,102	385	9,587	320	19,97,760		
May-15	6,395	WA	13,062	27,48,724	8,100	1,102	385	9,587	309	19,76,055		

Month	Total man days provided for different posts	Name of Post	Rate of wages per month per person paid to Firm B (in ₹)	Total amount paid to Firm 'B' inclusive of service charge (in ₹)	Minimum wages per month as per government notification and lowest bidder i.e. Firm A (in ₹)	EPF at the rate of 13.61 per cent (in ₹)	ESI at the rate of 4.75 per cent (in ₹)	Total minimum wages per person payable to the lowest bidder i.e. Firm A (in ₹)		Total payable minimum amount (in ₹) (Col.11*Col.2)	Amount payable to lowest bidder inclusive of service charges at the rate of 2.01 per cent of Column 12 (in ₹)	Excess amount (Col. 5–Col. 13) (in ₹)
								per month (Col. 6+ Col.7+ Col. 8)	Per man day (Col. 10/number of days in month)			
1	2	3	4	5	6	7	8	10	11	12	13	14
Jun-15	6,252	WA	13,062	27,76,835	8,100	1,102	385	9,587	320	20,00,640		
Jul-15	5,943	WA	13,062	25,54,444	8,100	1,102	385	9,587	309	18,36,387		
Aug. 2015	6,085	WA	13,062	26,15,479	8,100	1,102	385	9,587	309	18,80,265		
Sept. 2015	5,775	WA	13,062	25,64,975	8,100	1,102	385	9,587	320	18,48,000		
Oct. 2015	6,263	WA	13,062	26,91,988	8,100	1,102	385	9,587	309	19,35,267		
Nov. 2015	5,735	WA	13,062	25,47,207	8,100	1,102	385	9,587	320	18,35,200		
Dec. 2015	6,311	WA	13,062	27,12,620	8,100	1,102	385	9,587	309	19,50,099		
Jan. 2016	6,332	WA	13,062	27,21,646	8,100	1,102	385	9,587	309	19,56,588		
Feb. 2016	5,925	WA	13,062	27,22,343	8,100	1,102	385	9,587	331	19,61,175		
Mar. 2016	6,224	WA	13,062	26,75,225	8,100	1,102	385	9,587	309	19,23,216		
Apr.2016	6,003	WA	13,042	26,62,159	8,100	1,102	385	9,587	320	19,20,960		
May-16	6,084	WA	13,042	26,11,046	8,100	1,102	385	9,587	309	18,79,956		
<b>Total</b>				<b>5,67,02,529</b>						<b>4,08,09,677</b>	<b>4,16,29,952</b>	<b>1,50,72,577</b>
Source: Information supplied by the GMC, Nalhar and minimum wages as per Haryana Government.												
Supr.= Supervisor, WA= Ward Attendant, DEO= Data Entry Operator, Electr.= Electrician, Gardnr= Gardener and Str Kpr= Store keeper.												

### Appendix 3.3

(Reference: Paragraph 3.12.3.1; Page 88)

#### Statement showing details of incomplete works shown complete by the Department

Sr. No.	Package	Road Name
1.	HR-05-28	Upgradation of Panchgaon to Farukhnagar road via Jamalpur
2.	HR-05-29	Upgradation of Haily Mandi to Farukhnagar road via Mehchana
3.	HR-07-30	Upgradation of RJR to Silana Untlodha Jahidpur Yakubpur to Jhajjar Farukhnagar road
4.	HR-07-37	Upgradation of Jhajjar Babra Salodha Sarola Chhappar to Neola upto District boundary
5.	HR-07-32	Upgradation of Gorla to Mohanbari Jharli Sundhreti Ladain Oaheri Subana Khudan to Machroli to NH-71
6.	HR-15-27	Upgradation of Jatusana Guryani to Mubrakpur road
7.	HR-17-16	Upgradation of Talwandi Sabo Rori road
8.	HR-18-29	Upgradation of Sonapat to Purkhas Kailana Pughthla road
9.	HR-18-28	Upgradation of Kiloil to Pughthala upto MDR 121 via Giwana Anwali Bhainswal Bidhal Moi Bajana Kalan road
10.	HR-18-26	Upgradation of Kathura Kehlpna Banwasa Kohal Nuran Khera road upto SH-10
11.	HR-19-18	Upgradation of Ladwa to Bilaspur via Mustfabad Thana Chhappar Bari Pabni

(Source: Compiled from HaRRIDA records)

**Appendix 3.4**

(Reference: Paragraph 3.13; Page 92)

**Statement showing the excess payment made to agencies**

Sr. No.	Name of work	Name of agency	Excess payment (₹ in lakh)	Recovery Made
1.	Improvement by providing strengthening of Km 0 to 12.16 of link road from State Highway No.1 to jeolly in Ambala District	A	9.31	29.61 (with interest)
2.	Providing Strengthening of Jagadhri Bilaspur Sadhaura Naraingarh Raipur Rani Road (SH 01 km 13.80 to 25.10)	B	4.77	
3.	Special Repair by providing surface treatment (PC) on various roads under Provincial Division PWD (B&R) Naraingarh (Condition Survey 2013-14)	C	10.55	
4.	Special Repair on various roads under Provincial Sub Division Sadhaura (Sadhaura Constituency) (G-III)	B	2.39	
<b>Total (A)</b>			<b>27.02</b>	<b>29.61</b>
5.	Providing improvement of road on Hodal to Khambi via Pingalthu in KM 0.00 to 0.70 in Palwal	D	3.94	3.94
6.	Special Repair for strengthening of Jagadhari-Bilaspur-Sadaura Raipur Rani Road, Panchkula	E	14.43	10.70
7.	Special Repair of ODR under the jurisdiction of construction division, Chandigarh	F	2.71	0.00
8.	Repair of internal road from Pinjore-Mallah junction to Parwanu barrier	G		
9.	Construction of 4 laning of NH-10 from KM 102-800 to 108-600 in Meham Town	H	10.62	0.00
10.	Improvement of Road Atela to Dudiwala Raod (RD 0.00 to 11.00 KM)	I	4.96	0.00
<b>Total (B)</b>			<b>36.66</b>	<b>14.64</b>
<b>Grand Total (A+B)</b>			<b>63.68</b>	<b>44.25</b>

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