

Overview

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This Report comprises two parts containing two performance audits and 28 paragraphs. Part-I pertains to Social, General and Economic Sectors (Non-Public Sector Undertakings) and contains one performance audit on “Soil and water conservation in Punjab for sustainable agriculture” and 10 paragraphs involving money value of ₹ 726.23 crore as detailed below:

Year	Performance Audit		Paragraphs	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)
2018-19	01	93.01	10	633.22

Part-II pertains to Revenue Sector and contains one performance audit on “Working of Forests and Wildlife Preservation Department” and 18 paragraphs relating to non/short levy of value added tax/central sales tax, excess refunds in VAT, short deposit of special development fee/assessed fee, non/short levy of stamp duty, non/short realisation of motor vehicle tax and non-realisation of entertainment duty involving financial effect of ₹ 194.29 crore as detailed below:

Year	Performance Audit		Paragraphs	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)
2018-19	01	14.10	18	180.19

PART - I Social, General and Economic Sectors (Non-Public Sector Undertakings)

PERFORMANCE AUDIT

SOIL AND WATER CONSERVATION, AND AGRICULTURE AND FARMERS’ WELFARE DEPARTMENTS

Soil and water conservation in Punjab for sustainable agriculture

Soil and water are two natural resources which play a vital role in agriculture. A Performance Audit was conducted to analyse the soil and water conservation activities for sustainable agriculture in the State which highlighted various deficiencies in planning, financial management and implementation of schemes. Some of the significant audit findings are given below:

State does not have an agriculture policy and long term plan for conservation of soil and water, nor does it have a complete inventory of soil, for taking forward soil and water conservation effectively.

(Paragraphs 2.1.6.1 and 2.1.6.2)

Even after spending ₹ 274 crore on Crop Diversification Programme, sown area of paddy increased by 7.18 per cent during 2014-19, adversely affecting the consumption of groundwater.

(Paragraph 2.1.7.1(v))

Cases of stubble burning increased from 43,660 in 2017-18 to 49,905 in 2018-19, owing to lack of systemic spread of awareness amongst stake holders.

(Paragraph 2.1.7.2(iv))

Implementation of Soil Health Card Scheme remained ineffective due to inefficient flow of funds, deficient planning for providing financial assistance for recommended nutrients and non-planning for training and workshops.

(Paragraph 2.1.7.3(i to iv))

The State was deprived of conserving 972.04 lakh cubic metre water despite spending ₹ 37.16 crore on Underground Pipeline Scheme during 2014-19.

(Paragraph 2.1.7.6(ii))

Internal control and monitoring mechanism was found deficient as the Department of Soil and Water Conservation (DS and WC) and Department of Agriculture and Farmers' Welfare (DA and FW) did not review the reasons for shortfall in achievement of targets under any of the schemes.

(Paragraph 2.1.10)

COMPLIANCE AUDIT

CIVIL AVIATION DEPARTMENT

Non-realisation of outstanding Government dues

Allotment of land without demarcation and Hangar No. 2 without fixation of rent/lease amount and terms and conditions to M/s Birmi Flying Academy Private Limited by the Department of Civil Aviation, Government of Punjab led to litigation for more than ten years, while lack of prompt action delayed the recovery of outstanding dues of ₹ 0.83 crore and kept the piece of land blocked without any economic return for the last fifteen years.

(Paragraph 3.1)

HEALTH AND FAMILY WELFARE DEPARTMENT

Suspected misappropriation of user charges

Failure of the Drawing and Disbursing Officer to adhere to codal provisions and compromise of the internal control mechanism, facilitated suspected misappropriation of user charges amounting to ₹ 1.02 lakh in Civil Hospital, Mansa.

(Paragraph 3.2)

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

Optimum Utilisation of Vacant Government Lands

Sixty-one *per cent* residential, 73 *per cent* commercial and 91 *per cent* other properties identified under the Optimum Utilisation of Vacant Government Lands scheme for sale during 2016-19 had remained unsold. The scheme had a deficit of ₹ 1,158.63 crore which was met with market loans by mortgaging the scheme properties. Cancellation of an auction despite getting a bid above the reserve price, deprived revenue of ₹ 335.57 crore. Offer of plots for allotment without mutation of land had blocked ₹ 25.52 crore. Urban *Haat*, Amritsar constructed at a cost of ₹ 8.40 crore had remained non-functional, depriving the handicrafts artisans/handloom weavers of direct marketing facilities round the year.

(Paragraph 3.3)

PERSONNEL, AND HOME AFFAIRS AND JUSTICE DEPARTMENTS

Irregular operation of posts under Apex Scale and Higher Administrative Grade

Operation of 1-9 ex-cadre posts of Chief Secretary Grade in Level 17 (Apex Scale) and 1-7 ex-cadre/deputation posts of Director General of Police in Level-16 (Higher Administrative Grade) under State Deputation Reserve in excess of prescribed limit, without prior approval of the Central Government, involving an amount of ₹ 10.31 crore on account of pay drawn during the period from January 2016 to June 2020, was irregular.

(Paragraph 3.4)

PUBLIC WORKS DEPARTMENT

Incomplete work due to non-providing of encumbrance free site

Failure of the Public Works Department to ensure encumbrance free site prior to award of work of periodical repairs of the road “Babanpur Bridge to Jourepul, Major District Road (MDR-78)”, had resulted in non-completion of work despite spending ₹ 3.61 crore, besides denial of short route to the public of Jarag-Khanna area.

(Paragraph 3.5)

REVENUE, REHABILITATION AND DISASTER MANAGEMENT DEPARTMENT

Excess payment of financial assistance from the State Disaster Response Fund

Non-adherence to the norms of assistance from the State Disaster Response Fund by the Revenue, Rehabilitation and Disaster Management Department with regard to provision of input subsidy to the farmers subject to a ceiling of two hectare of affected land per farmer, resulted in excess payment of financial assistance of ₹ 1.38 crore.

(Paragraph 3.6)

SCHOOL EDUCATION AND FINANCE DEPARTMENTS

Suspected fraudulent drawal and disbursement of pay and allowances

Failure of the Drawing and Disbursing Officers and the Treasury Officers to exercise prescribed checks on the bills presented to treasury as required under the Punjab Financial Rules and Punjab Treasury Rules, coupled with the absence of mapping of employees' master data in Integrated Financial Management System, resulted into suspected fraudulent drawal and disbursement of pay and allowances amounting to ₹ 1.16 crore in Government High School, Kulgran and Government Senior Secondary School, Panjola.

(Paragraph 3.7)

TECHNICAL EDUCATION AND INDUSTRIAL TRAINING, AND FINANCE DEPARTMENTS

Idle expenditure arising from incomplete work for setting up of Institute for Training of Trainers

Due to delayed/non-release of adequate funds by the Finance Department, Institute for Training of Trainers at Lalru could not be made functional, thereby not only rendering the expenditure of ₹ 6.34 crore idle, but the intended objective of having trained and qualified instructors under the Craft Instructor Training Scheme could not be achieved.

(Paragraph 3.8)

WATER RESOURCES DEPARTMENT

Undue extra burden on the State exchequer

Due to non-valuation of the structures on the acquired land before announcing an award by the Land Acquisition Collector, Shahpurkandi, the Water Resources Department had to pay compensation for structures through a supplementary award, resulting into avoidable payment of ₹ 3.26 crore on account of solatium, besides the Department also paid inadmissible amount of ₹ 1.69 crore towards additional increase on the value of structures.

(Paragraph 3.9)

WATER SUPPLY AND SANITATION, HOUSING AND URBAN DEVELOPMENT, AND FINANCE DEPARTMENTS

Ungainful expenditure on a non-functional sewerage scheme

Preparation of a project "Providing sewerage system and sewerage treatment plant" in Baghapurana town of Moga district by the Water Supply and Sanitation Department, without making provision for digging of a toll road coupled with non-ensuring of sufficient funds, resulted into non-commissioning of the sewerage system even after lapse of more than seven years, beyond its stipulated date of completion. This not only rendered the expenditure of ₹ 18.95 crore ungainful but also led to continued exposure of the residents of Baghapurana town to unhygienic conditions.

(Paragraph 3.10)

PART - II

Revenue Sector

The total receipts of the State Government for the year 2018-19 were ₹ 62,269.08 crore. The Government raised ₹ 39,156.57 crore, comprising tax revenue of ₹ 31,574.28 crore and non-tax revenue of ₹ 7,582.29 crore. The State Government received ₹ 12,005.14 crore as State's share of divisible Union taxes and ₹ 11,107.37 crore as Grants-in-aid from the Government of India.

(Paragraph 1.1.1)

Test check of the records of 314 units out of total auditable units of 451, administering Sales Tax/Value Added Tax, State Excise, Taxes on Motor Vehicles, Forest Receipts and other Departmental offices, conducted during the year 2018-19 showed under assessment/short levy/loss of revenue aggregating ₹ 481.56 crore in 21,637 cases. The Departments recovered ₹ 11.84 crore in 2,719 cases during 2018-19, out of which ₹ 0.55 crore in 39 cases was pointed out during 2018-19 and the remaining in earlier years.

(Paragraph 1.10.1)

TAXES/VAT ON SALES AND TRADE

In four Assistant Commissioners of State Tax offices, the Designated Officers allowed irregular exemption/concession of ₹ 0.61 crore on the basis of 19 non-genuine 'C' forms which were not obtained from prescribed authority of the concerned State.

(Paragraph 2.3)

In Assistant Commissioner of State Tax Ludhiana-II, input tax credit of ₹ 0.57 crore was reversed on account of tax free sale against the reversible input tax credit of ₹ 1.02 crore, resulting in short levy of tax of ₹ 0.45 crore.

(Paragraph 2.4)

In Assistant Commissioner of State Tax Mohali, the Designated Officer, instead of creating additional tax demand, reduced the amount of unutilised input tax credit for the year 2010-11 from ₹ 4.58 crore to ₹ 3.67 crore, whereas input tax credit of ₹ 4.58 crore was already utilised by the dealer in 2011-12, resulting in short levy of tax of ₹ 0.91 crore.

(Paragraph 2.6)

Application of incorrect provision relating to levy of interest in assessment orders in six Assistant Commissioners of State Tax, resulted in short levy of interest of ₹ 2.51 crore in six cases.

(Paragraph 2.8)

The Designated Officer allowed inadmissible input tax credit of entry tax, paid on interstate purchase of furnace oil in four cases, resulting in short levy of tax of ₹ 46.81 lakh.

(Paragraph 2.9)

In 36 assessment cases under four Assistant Commissioners of State Tax, the Designated Officers did not levy or short levied fee of ₹ 12.38 crore under the Punjab Infrastructure (Development and Regulation) Act.

(Paragraph 2.10)

STATE EXCISE

Assistant Excise and Taxation Commissioner Gurdaspur short realized Special Development Fee of ₹ 0.20 crore on Punjab Medium Liquor and Beer from three retail vends.

(Paragraph 3.3)

Assistant Excise and Taxation Commissioner Gurdaspur failed to recover assessed fee of ₹ 0.78 crore from six retail vends on un-lifted quota of 5,05,861 bulk litre of beer.

(Paragraph 3.4)

Twenty four AETCs did not take cognizance of a notification issued by the Department of Local Government designating them as collection authority for Cow Cess on sale of liquor in municipal areas falling under their jurisdiction, due to non-inclusion of the same in the Excise policy. Consequently, ₹ 97.24 crore due on this account was not collected.

(Paragraph 3.5)

STAMP DUTY

Sub Registrar Bathinda short levied stamp duty, registration fee and infrastructure development fee of ₹ 12.69 lakh in a case due to non-application of minimum market rate fixed by the Collector.

(Paragraph 4.4)

Nineteen SRs/JSRs allowed inadmissible remission of additional stamp duty, Social Infrastructure Cess and Infrastructure Development fee of ₹ 1.92 crore in 99 cases where instruments were executed a) in favour of Charitable Institutions, b) for purchase of land by owner whose land was acquired for public purpose and c) on instruments executed in favour of persons for purchase/lease of land for setting up a project duly approved by the Punjab Energy Development Authority (PEDA) under the New and Renewable Sources of Energy Policy, 2012.

(Paragraph 4.5)

Four Sub Registrars short levied stamp duty, registration fee and infrastructure development cess of ₹ 1.36 crore in seven cases, due to application of lower rates than were applicable as per the Collector rate or status of properties at the time of registration.

(Paragraph 4.6)

The Indian Stamp Act empowers all public officers to impound the instruments, chargeable with duty but not duly stamped, which are produced or come before them in the course of performance of their functions, however, the public officers did not impound and refer insufficiently stamped instruments to the Collectors for assessment of stamp duty. The public officers

and Banks also did not ensure that the lease agreements were duly stamped. Stamp duty and registration fee of ₹ 59.42 crore on 1,720 out of 1,800 lease instruments examined in audit was not paid. Further, stamp duty and registration fee of ₹ 0.41 crore was short levied in 244 out of 3,893 instruments presented for registration before 32 SRs/JSRs.

(Paragraphs 4.7.2 to 4.7.3)

TAXES ON VEHICLES

In two Regional Transport Authorities, Motor Vehicle Tax of ₹ 34.97 lakh was short realized from three bus operators plying stage carriage buses in Punjab.

(Paragraph 5.3)

FORESTRY AND WILDLIFE

Performance audit on “Working of Forests and Wildlife Preservation Department” revealed the following significant findings:

State Forest Policy was not framed to create a road map and strategy for achievement of long term goals regarding preservation, protection and restoration of forest cover and ecological balance in the State.

(Paragraph 6.3.6.1)

Due to removal of interest clause from the revised royalty policy 2009, the department could not charge interest of ₹ 3.29 crore from the Punjab State Forest Development Corporation.

(Paragraph 6.3.7.2)

Undue benefit of ₹ 6.91 crore was extended to the Punjab State Forest Development Corporation due to short claim of royalty.

(Paragraph 6.3.7.4)

Non-harvesting of bamboo resulted in deferring of revenue of ₹ 1.16 crore.

(Paragraph 6.3.11.2)

Boundaries of Sanctuaries and Zoological Park were not demarcated.

(Paragraph 6.3.15.1)

OTHER TAX AND NON-TAX RECEIPTS

Six Assistant Commissioners of State Tax took no steps to recover entertainment duty from 408 cable operators, resulting in non-realisation of entertainment duty of ₹ 45.93 lakh.

(Paragraph 7.3)

