

OVERVIEW

This Report contains 19 paragraphs involving financial implications of ₹ 1,125.46 crore relating to excess, irregular, unfruitful expenditure, avoidable payments, losses to State Government, shortcomings in implementation of rules and programmes, etc. Some of the major findings are mentioned below:

Social, General and Economic Sectors (Departments)

Chapter 2 contains Compliance Audit observations which highlight deficiencies in the management of State Government Departments other than Public Sector Undertakings, which had significant financial implication. Important findings are as under:

Food, Civil Supplies and Consumer Affairs Department

Loss to the State Exchequer due to delayed claim of lower interest charges

The departmental officers delayed the claims of interest charges of ₹ 161.10 crore from Food Corporation of India from 199 to 921 days resulting in extra burden of ₹ 13.15 crore on account of interest on cash credit. Further, lesser claims of ₹ 30.68 crore were made due to erroneous interpretation of amendments made by Government of India.

(Paragraph 2.1)

Irregular expenditure on watch and ward

The District Food, Civil Supplies and Consumer Affairs Controller, Karnal deployed watch and ward staff in Hemda, Lather and Bhatia plinths in excess of the departmental norms, resulting in irregular expenditure of ₹ 1.99 crore.

(Paragraph 2.2)

Sports and Youth Affairs Department

Parking of Government funds

The Sports and Youth Affairs Department released ₹ 10.09 crore to seven District Sports Councils and a newly constituted Sports and Physical Fitness Authority between March 2016 and January 2018 without immediate requirement resulting in parking of funds outside the Government Accounts for more than four years and interest loss of ₹ 3.38 crore to the State.

(Paragraph 2.3)

**Town and Country Planning Department
(Haryana Shehri Vikas Pradhikaran)**

Loss due to non-recovery of lease money

The Haryana Shehri Vikas Pradhikaran (HSVP) suffered a loss of ₹ 0.49 crore due to delay of more than one year in handing over the banquet hall at Sector 4, Rewari to the lessee and of ₹ 2.95 crore due to extending undue favour to the lessee by not evicting him from the property even on his failure to pay lease money and by not recovering the lease money for four years.

(Paragraph 2.4)

Non-recovery of compensation from contractor

The Executive Engineer, HSVP Division No.1, Faridabad made no efforts for recovering ₹ 1.61 crore from a contractor for excess expenditure on completion of work of providing and laying water supply, sewerage and storm water drainage in Sector 61, Faridabad at his risk and cost and for compensation imposed for delay in completion of work.

(Paragraph 2.5)

Labour Department

Recoverable amount from employers against declined cheques

The Labour Welfare Board suffered a loss of ₹ 1.54 crore as the cheques deposited by 1,057 employers were declined by banks. The amount was neither recovered with penal interest as arrears of land revenue nor was timely action taken to get the defaulters penalised under Negotiable Instruments Act, 1881.

(Paragraph 2.6)

Urban Local Bodies Department

Excess payment to professional services provider

The Director General, Urban Local Bodies made an excess payment of ₹ 1.15 crore for services by a professional services provider on account of inadmissible service tax/GST, professional fee and by not reducing the remuneration on substitution of personnel.

(Paragraph 2.7)

Public Health Engineering Department

Extra expenditure on purchase of land

An extra expenditure of ₹ 1.04 crore was incurred on purchase of land by making

lump sum payment to the aggregator without considering the actual price paid to the landowners in violation of the land purchase policy of the State Government.

(Paragraph 2.8)

Wasteful expenditure on non-functional water works

The Executive Engineer, Public Health Engineering Division No. 2 Hisar incurred wasteful expenditure of ₹ 1.01 crore on the augmentation/renovation of the water works, village Khairi (Hisar) without ascertaining field conditions as a result the water works remained submerged in the waste water of village pond.

(Paragraph 2.9)

Social, General and Economic Sectors (Public Sector Undertakings)

Chapter 3 contains Compliance Audit observations which highlight deficiencies in the management of State Government companies of Power sector and other than Power Sector, which had significant financial implications. Important findings are as under:

Haryana Power Purchase Centre

Purchase of power in Haryana

Haryana Power Purchase Centre (HPPC) incurred extra expenditure of ₹ 209.33 crore in purchasing costly power from private producers and preparing incorrect merit order which put extra burden on consumers of the State. HPPC also could not achieve Renewable Energy Purchase Obligations targets and the shortfall ranged between 18.64 *per cent* and 90.55 *per cent*. Sustainable Development Goals set for ensuring affordable, sustainable and modern energy are thus not fully achieved. Internal controls regarding payments against purchase of power were deficient as instances of erroneous payments were noticed.

(Paragraph 3.1)

Uttar Haryana Bijli Vitran Nigam Limited

Implementation of Mhara Gaon Jagmag Gaon scheme

The implementation of the scheme was slow due to inefficiencies at all stages of project implementation and even after more than five years of its launch (July 2015), 295 out of 972 Rural Domestic Supply feeders were yet to be completed (January 2021). Due to delay in completion as well as non-completion of works, the Company had to forgo potential revenue of ₹ 786.54 crore it could have earned had it achieved targets set for reduction in Transmission & Distribution losses in the scheme.

(Paragraph 3.2)

Dakshin Haryana Bijli Vitran Nigam Limited

Non-recovery of differential tariff

The Company did not recover tariff difference of ₹ 39.88 lakh from a consumer who was sanctioned connection in wrong category by the sanctioning authority, in terms of provisions of Electricity Supply Code, 2014.

(Paragraph 3.3)

Haryana State Industrial and Infrastructure Development Corporation Limited

Non-achievement of envisaged benefits of training to participants

Due to inept handling of the training programme without adequate monitoring/conducting any due diligence study, the envisaged benefits of granting employment could not be achieved even after incurring expenditure of ₹ 3.62 crore. Besides there was excess payment of ₹ 2.96 crore to the training provider.

(Paragraph 3.4)

Non-levy of extension fee

The Company extended undue benefit to an allottee by reckoning the implementation period of project from 26 August 2013 instead of 27 July 2010 as per the agreement which resulted in non-levy of extension fee of ₹ 1.74 crore for delayed implementation of project.

(Paragraph 3.5)

Haryana Agro Industries Corporation Limited

Misappropriation of paddy

State Government guidelines for regular physical verification of stocks of paddy kept with the millers were violated which resulted in misappropriation of paddy by the miller. Subsequently, the Company favoured the miller by not encashing cheques and delayed taking legal actions to recover its dues which resulted in loss of ₹ 6.64 crore.

(Paragraph 3.6)

Interest/penalty due to non-deposit of VAT in time

The Company suffered avoidable loss of interest/penalty amounting ₹ 1.85 crore due to not depositing the Value Added Tax amount in time with the tax authorities.

(Paragraph 3.7)

Haryana State Warehousing Corporation**Damage of wheat stock**

The Corporation suffered a loss of ₹ 1.29 crore due to non-maintenance of health of wheat stock.

(Paragraph 3.8)

Misappropriation of paddy/ Custom Milled Rice

Non-compliance with the terms and conditions of Kharif Marketing Season guidelines and not making timely efforts to recover the balance amount from a defaulting miller caused loss of ₹ 6.75 crore.

(Paragraph 3.9)

Haryana Medical Services Corporation Limited**Poor financial management**

Due to poor financial management, the Company lost the opportunity to earn interest of ₹ 4.48 crore on its surplus funds.

(Paragraph 3.10)