



सत्यमेव जयते

**Report of
the Comptroller and Auditor General of India
on
Compliance Audit Report-2
for the year ended 31 March 2021**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Haryana
Report No. 1 of the year 2023

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the Comptroller and Auditor General of India
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PREFACE

This Report for the year ended 31 March 2021 has been prepared for submission to the Governor of the State of Haryana under Article 151 of the Constitution of India.

This Compliance Audit Report of the Comptroller and Auditor General of India relates to 53 Departments, 37 Public Sector Undertakings and 37 Autonomous Bodies functioning under Government of Haryana.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2020-21 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 2020-21 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 of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of Government departments, autonomous bodies and public sector undertakings of the Government of Haryana. Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this report is to bring important results of audit to the notice of the State Legislature. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations, thus contributing to better governance.

Chapter 2, 3 and 4 contains observations of the Subject Specific Compliance Audits and Chapter 5 contains observations emanating from compliance audit in Government departments, autonomous bodies and public sector undertakings.

(Paragraph 1.1, page 1)

Subject Specific Compliance Audit

Finance Department

District Plan scheme

Decentralization of Planning process has acquired considerable significance with 73rd and 74th Constitutional Amendment Act. The basic idea to formulate District Plan (DP) was to involve Panchayati Raj Institutions (PRIs) and local bodies in preparation of area plans and implementation of schemes for economic development and social justice. This process was expected to result in efficient use of resources, equitable sharing of benefits from development and giving power to local bodies. The District Plan scheme was introduced in Haryana in the year 2008-09 for carrying out various development works in the State. “District Plan” is a development scheme running in the Department of Economics and Statistical Analysis (DESA), Haryana for carrying out various development works in the State. There has been a significant decline in the allocation amount in the progressive years from 2018-19 to 2020-21 *i.e.* from ₹ 700 crore in 2018-19 to ₹ 200 crore in 2020-21. This decline is a direct fallout of the inability of the Department to utilise the allocated funds within the scheduled timeframe. District Plans were prepared and sent to HQ with

considerable delay which delayed start of work and consequential lapse of funds. Funds were allocated to various Chief Planning and Development Officers (CPDOs) in lump sum and on a discretionary basis without assessing their actual requirement and identifying the underlying purpose for which funds were required to be utilised. The reasons for lapse of funds were mainly on account of sanction of funds prior to or without carrying out feasibility study of works, delayed release of funds, works already carried out under other scheme, work sites being disputed, etc. Due to lack of monitoring, works which are not permissible under this scheme have been undertaken by field offices.

(Paragraph 2.1, page 7)

Urban Local Bodies Department

Transfer of Municipal Duty levied as part of Stamp Duty to the Municipal Bodies

Subject Specific Compliance Audit (SSCA) was conducted for the period 2016-21 at Director of Urban Local Bodies Department (DULB); Municipal Corporations (MCs), Gurugram, Rohtak and Yamunanagar; Finance Department of GoH and Directorate of Local Audit Department with the objectives to review the process of raising of the claims by Municipal Bodies in respect of Municipal Levy, the accounting mechanism, reconciliation process of Municipal Levy amongst the Revenue Department, DULB, concerned Municipal Bodies and office of Accountant General (Accounts & Entitlement) Haryana, the mechanism in Local Audit Department (Primary Auditor of Municipal Corporations) for deriving assurance on the transfer of Municipal Levy to the concerned Municipal Bodies. It is seen that the outstanding Municipal Levy at the end of year due to Municipal Bodies ranged between ₹ 663.35 crore (at the end of March 2018) to ₹ 2,178.98 crore (at end of March 2021) during 2016-17 to 2020-21. There were delays in transfer of funds to Municipal Bodies and deficiencies/absence of internal controls in the entire processes adopted by the various functionalities of State Government were observed.

(Paragraph 3.1, page 23)

Agriculture and Farmers Welfare Department

Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme

Due to improper identification, non-verification and lapses in monitoring of PM-KISAN scheme, benefits amounting to ₹ 131.40 lakh were disbursed to State Government Pensioners. Besides, there were non-recovery of amount disbursed to Income Tax payees and ineligible beneficiaries, benefits extended

to more than one family member, benefits extended to beneficiaries who do not own agriculture land, benefits extended to the deceased beneficiaries, non-receipt of administrative expenses amounting ₹ 420.38 lakh, benefits released to the beneficiaries pending for Physical Verification, non-setting up of Project Monitoring Unit and non-achieving of target of physical verification.

(Paragraph 4.1, page 33)

Compliance Audit Observations

Chapter 5 contains observations emanating from compliance audit in Government departments, autonomous bodies and public sector undertakings.

Public Health Engineering Department

Embezzlement of ₹ 2.76 crore

Due to system deficiencies in e-Salary IT application of Haryana Government and negligence on the part of Treasury Office, the officials of Public Health Engineering Division, Charkhi Dadri manipulated the Unique Codes of payee employees and embezzled ₹ 2.76 crore.

(Paragraph 5.1, page 45)

Stock and Inventory Management

There was deviation from prescribed accounting procedure for Stock transactions. No provision was made for accounting classification for Stock Suspense which led to booking of expenditure to works without commencement of work or closed works. User manual of online Inventory Management System (IMS) was not updated. Physical verification of stores was not conducted as per codal provisions. Unutilised inventory was lying in the store since long and actual quantity of unserviceable/scrap items could not be ascertained. The obsolete or unserviceable items were not disposed off.

(Paragraph 5.2, page 48)

Irregular and excess payment to the contactor for work not done

Due to items of works not recorded on actual basis and falsely certified, an amount of ₹ 2.53 crore was recoverable from the agency on account of irregular excess payment.

(Paragraph 5.3, page 56)

Public Works Department (Building and Roads)

Infructuous expenditure on incomplete abandoned works and recoverable amount from the agency

Due to injudicious decision of the Engineer-in-Chief, Public Works Department (Building & Roads) of revoking the agreement after a period of two years and non-action of calling for fresh tenders subsequent to termination of agreement, expenditure worth ₹ 179.25 lakh on works has become unfruitful and recovery of liquidated damages worth ₹ 12.37 lakh and 20 per cent penalty of balance work worth ₹ 40.53 lakh are still pending.

(Paragraph 5.4, page 58)

Allotment of work to ineligible agency and non-recovery of ₹ 2.15 crore due to less assessment of value of contract for levying Liquidated Damages and penalty for left over work

The Department violated the bid conditions, awarded the work to ineligible bidders and dis-obeyed the specific orders of Engineer-in-Chief (EIC) to restrict the value of stone taken out by agency to ₹ two crore at any given point of time. Calculation of liquidated damages (LD) and penalty for left over work was not appropriate resulting into undue benefit in terms of LD and penalty for left over work valuing ₹ 1.53 crore.

(Paragraph 5.5, page 60)

Non-termination of contract led to undue benefit to contractor of ₹ 26.46 crore

Inordinate delay in construction of National Law University at Sonapat due to injudicious time extension and non-termination of contract led to undue benefit to contractor of ₹ 26.46 crore as penalty of liquidated damages and left over work penalty alongwith loss of interest.

(Paragraph 5.6, page 63)

Public Works Department (Irrigation and Water Resources Department)

Irregularities in the tender assessment process followed by Tender Allotment Committee

The Tender Allotment Committee (TAC) worked in a non-transparent manner and left out eligible bidders compromising on the integrity of the bids evaluation process, used different standards in different tenders, took decision inconsistent with the existing instructions and provisions contained in Standard Bidding Document (SBD).

(Paragraph 5.7, page 66)

Urban Local Bodies Department

Non-adherence to prescribed norms/procedures resulting in irregular payments to contractors on account of development works

Allotment of works to a contractor on quotation basis by flouting the prescribed e-tendering process without approval of estimates, repetition of allotment by slight variation in name of the contractor but having same TIN Number and place of business culminated in a loss of ₹ 23.80 crore to the Municipal Corporation Faridabad (MCF) as no works were executed against these payments. Further, an amount of ₹ 183.83 crore was disbursed to the same contractor without proper documentation thereby indicating weak internal and financial controls.

(Paragraph 5.8, page 73)

Health and AYUSH Department

Cost over-run of ₹ 3.39 crore and infructuous expenditure of ₹ 48.89 lakh due to failure of internal controls in finalisation of site

Time over-run with three years delay in establishing Government Homoeopathic College and Hospital resulted in creating extra burden of ₹ 3.88 crore on the State exchequer apart from depriving the intended benefit to the General Public and students of the State.

(Paragraph 5.9, page 77)

Higher Education Department

Avoidable expenditure of ₹ 92.58 lakh due to irregularities in purchase of library books

Irregularities in purchase of library books by the Director, Higher Education Department worth ₹ four crore for 149 Government Colleges at a lower rate of discount resulted in avoidable expenditure of ₹ 79.96 lakh and additional loss of ₹ 12.62 lakh due to negligence in the purchase activity.

(Paragraph 5.10, page 80)

Sports and Youth Affairs Department

Irregular payment of cash award to ineligible sportspersons ₹ 41.30 crore

Non-adherence of the provisions of Haryana Sports and Physical Fitness Policy regarding disbursement of cash awards to sports-persons resulted in violation of the policy leading to irregular payment of cash award to ineligible sportspersons by the department.

(Paragraph 5.11, page 82)

Technical Education Department

Inadmissible payment due to irregular implementation of Career Advancement Scheme- ₹ 14.75 crore

Promotion of faculty members under Career Advancement Scheme in violation of University Grants Commission regulations by adopting deviated Academic Performance Indicator based Performance Based Appraisal System resulted in inadmissible payment of pay and allowances of ₹ 14.75 crore.

(Paragraph 5.12, page 85)

Finance Department

Irregularities in payment of pensioners/family pensioners

Excess/irregular payment of ₹ 9.56 crore out of the Consolidated Fund of the State on account of payment of pension/family pension reflects deficiencies on the part of State Bank of India as well as Treasury and Accounts Department.

(Paragraph 5.13, page 90)

Food, Civil Supplies and Consumers Affairs Department

Loss due to less claim and delay in submission of claims of Central Assistance from Government of India

Loss of ₹ 1.20 crore due to less claim of Central Assistance from Government of India (GoI) and interest loss of ₹ 7.30 crore due to delayed claims of Central Assistance.

(Paragraph 5.14, page 93)

Forest Department

Loss of revenue alongwith avoidable extra expenditure thereof

Indifferent approach of the Forest Department towards disposal of confiscated Red Sanders Wood (RSW) resulted in loss of revenue of ₹ 22.12 crore and an unavoidable expenditure of ₹ 96.14 lakh on the watch and ward of confiscated RSW.

(Paragraph 5.15, page 95)

Home Department

Irregular expenditure on ineligible Home Guard Volunteers

Irregular decision of Commandant General for enhancement in the retirement age of Home Guard Volunteers from 50 to 58 years in contravention of Rules

resulted in irregular payment of ₹ 10.30 crore to ineligible Home Guard Volunteers.

(Paragraph 5.16, page 98)

Haryana Police Housing Corporation

Avoidable expenditure

Delay in cancelling the acceptance letter of L1 who failed to deposit the performance security within the prescribed period of 21 days of allotment of work led to elapse of tender validity period of 120 days. Resultantly, L2 could not be made bound with his bid which was marginally higher than L1 and this resulted in an avoidable expenditure of ₹ 1.03 crore due to inviting of fresh tenders and allotment of work at a higher rate.

(Paragraph 5.17, page 99)

Departments Audited

Agriculture and Farmers Welfare Department, Finance Department, Food, Civil Supplies and Consumers Affairs Department, Forest Department, Health and AYUSH Department, Higher Education Department, Home Department, Haryana Police Housing Corporation Public Health Engineering Department, Public Works Department (Building and Roads), Public Works Department (Irrigation and Water Resources Department), Sports and Youth Affairs Department, Technical Education Department and Urban Local Bodies Department.

Chapter-1
Introduction

CHAPTER I

Introduction

1.1 Introduction

There are 53 Departments, 37 Public Sector Undertakings and 37 Autonomous bodies functioning under the Government of Haryana as detailed in *Appendix 1.1*. This Report covers matters arising out of the compliance audit of the Departments, Public Sector Undertakings and Autonomous Bodies of the State. Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this report is to bring important results of audit to the notice of the State Legislature. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations, thus contributing to better governance.

This chapter explains the authority for audit, planning and extent of audit and responsiveness of Government to audit. Chapter 2, 3 and 4 contains observations of the Subject Specific Compliance Audits and Chapter 5 contains observations emanating from compliance audit in Government Departments, Autonomous Bodies and Public Sector Undertakings.

1.2 Budget profile

The position of budget estimates and actual expenditure there against by the State Government during 2016-21 is given in *Table 1.1*.

Table 1.1: Budget and actual expenditure of the State during 2016-21

(₹ in crore)

Expenditure	2016-17		2017-18		2018-19		2019-20		2020-21	
	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual	Budget Estimates	Actual
General Services	21,663	21,631	24,379	26,699	29,788	28,169	35,358	31,884	37,228	34,734
Social Services	29,403	25,473	31,404	28,061	34,176	29,743	36,114	33,726	43,090	36,164
Economic Services	23,482	20,875	23,752	18,107	20,916	19,022	22,770	19,238	25,020	19,048
Grants-in-aid and Contributions	248	424	401	390	306	222	0	0	0	0
Total (1)	74,796	68,403	79,936	73,257	85,186	77,156	94,242	84,848	1,05,338	89,946
Capital Outlay	8,817	6,863	11,122	13,538	15,780	15,306	16,260	17,666	13,201	5,870
Loans and Advances Disbursed	4,729	4,515	1,326	1,395	1,766	756	1,407	1,309	1,213	926
Repayment of Public Debt	9,677	5,276	9,945	6,339	12,466	17,184	20,257	15,776	22,592	29,498
Contingency Fund	-	80	-	27	-	13	-	-	-	-
Appropriation to Contingency Fund	-	-	-	-	-	-	-	-	-	800
Public Accounts disbursements	96,756	29,276	2,04,107	31,171	2,32,569	37,386	1,41,707	42,171	51,356	50,245
Closing Cash balance	-	5,658	-	4,417	-	2,985	-	3,999	-	3,148
Total (2)	1,19,979	51,668	2,26,500	56,887	2,62,581	73,630	1,79,631	80,921	88,362	90,487
Grand Total (1+2)	1,94,775	1,20,071	3,06,436	1,30,144	3,47,767	1,50,786	2,73,873	1,65,769	1,93,700	1,80,433

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

1.3 Application of resources of the State Government

As against the total budget outlay of ₹ 1,93,700 crore, the application of resources was ₹ 1,80,433 crore during 2020-21. The total expenditure¹ of the State increased by 21 *per cent* from ₹ 79,781 crore to ₹ 96,742 crore during the period 2016-17 to 2020-21 while the revenue expenditure increased by 31 *per cent* from ₹ 68,403 crore to ₹ 89,946 crore during the same period. The revenue expenditure constituted 82 to 93 *per cent* of the total expenditure while capital expenditure was six to 17 *per cent* during the period from 2016-17 to 2020-21.

During the period from 2016-17 to 2020-21, annual growth rate of revenue expenditure of the State decreased from 15.48 *per cent* to 6.01 *per cent* whereas annual growth rate of revenue receipts decreased from 10.39 *per cent* in 2016-17 to 2.99 *per cent* in 2019-20 and becomes negative at (-) 0.44 *per cent* in 2020-21.

1.4 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 to be submitted to the Governor of Haryana under Article 151 of the Constitution of India.

During 2020-21, compliance audit of 235 departmental auditee units of 53 departments under Section 13, 18 auditee units of 25 PSUs under Section 19(1), Section 19(2) and 24 auditee units of 12 autonomous bodies under Sections 19(2), 19(3) and 20(1) of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, was conducted by the office of the Principal Accountant General (Audit), Haryana as a field formation of Comptroller and Auditor General of India.

¹ Total of Revenue Expenditure, Capital Outlay and Loans and Advances.

1.5 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/Public Sector Undertakings (PSUs) which have negative impact on the success of programmes and functioning of the departments/PSUs. The focus was on offering suitable recommendations to the Executive/Management for taking corrective action and improving service delivery to the citizens. The Departments/PSUs are required to send their responses to draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks.

This Audit Report contains 20² compliance audit paragraphs which were forwarded to the concerned Administrative Secretaries. Replies from the administrative departments have been received for 17 compliance audit paragraphs which have been suitably incorporated in the Audit Report.

1.6 Responsiveness of Government to Audit

After periodical inspection of the Government departments/PSUs, the Principal Accountant General (Audit) issues the Inspection Reports (IRs) to the head of offices audited with copies to the next higher Authorities/Managements. The executive Authorities/Managements are expected to promptly rectify the defects and omissions pointed out and report compliances to the Principal Accountant General (Audit) within four weeks. Half yearly reports of Inspection Reports (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 total of 25,652 paragraphs pertaining to 9,205 IRs were outstanding as of 30 September 2021, against various auditable units pertaining to various Departments, Public Sector Undertakings and Autonomous bodies in the State as detailed in the *Table 1.2*.

² Including three Subject Specific Compliance Audits.

Table 1.2: Year wise breakup of outstanding Inspection Reports and paragraphs
(₹ in crore)

Year	Number of IRs	Number of paragraphs	Money value
Prior to 2015-16	6,211	14,058	67,484.55
2016-17	649	2,109	45,781.86
2017-18	732	2,345	2,92,281.90
2018-19	728	2,683	5,83,276.69
2019-20	584	2,609	1,22,073.63
2020-21	301	1,848	20,163.54
Total	9,205	25,652	11,31,062.17

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 September 2021 are indicated in *Appendix 1.2*.

1.7 Follow-up on Audit Reports

Discussion in Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU)

1.7.1 Compliance to Audit Reports

According to the instructions issued (October 1995) by the Government of Haryana, Finance Department and reiterated in March 1997 and July 2001, the administrative departments were to initiate *Suo motu* action on all audit paragraphs 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 (PAC) /Committee on Public Undertakings (COPU) or not. The Administrative Departments were 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 Audit Reports to the Legislature.

The Audit Report on Social, General and Economic Sectors (Non-PSUs) for the year 2018-19 has been discussed in PAC during the year 2021-22. The Audit Report on Social, General and Economic Sectors (PSUs) for the year 2018-19 containing 15 paragraphs and Compliance Audit Report on Social, General and Economic Sectors for the year 2019-20 containing 19 paragraphs were placed before the State Legislative Assembly on 5 March 2021 and 22 December 2021 respectively (*Appendix 1.3*) and yet to be discussed in Public Accounts Committee (PAC)/Committee on Public Sector Undertakings (COPU) (March 2022). Status of paragraphs of Departments/Public Sector Undertakings (PSUs)/Autonomous Bodies (ABs) is given in *Table 1.3*.

Table 1.3: Detail of Paragraphs/ATNs to be discussed in PAC/COPU of Departments/ PSUs/ABs as on 31 March 2022

Sr. No.	Cluster	PSUs 2018-2019		Compliance Audit Report 2019-20	
		Total PAs/ Paragraph in the Audit Report	Number of PAs/ Paragraph for which ATNs were not received	Total PAs/ Paragraph in the Audit Report	Number of PAs/ Paragraph for which ATNs were not received
1	Energy and Power	08	01	03	03
2.	Industries and Commerce	03	03	02	02
3.	Urban Development	NIL	NIL	03	03
4.	Health & Welfare	NIL	NIL	01	01
5	Education, Skill Development and Employment	NIL	NIL	02	02
6	Finance	NIL	NIL	NIL	NIL
7	Rural Development	NIL	NIL	NIL	NIL
8	Agriculture, Food and Allied Industries	02	NIL	06	06
9	Water Resources	NIL	NIL	NIL	NIL
10	Transport	NIL	NIL	NIL	NIL
11	Environment, Science and Technology	NIL	NIL	NIL	NIL
12	Public Works	02	01	02	02
13	IT and Communication	NIL	NIL	NIL	NIL
14	Law and Order	NIL	NIL	NIL	NIL
15	Culture and Tourism	NIL	NIL	NIL	NIL
16	General Administration	NIL	NIL	NIL	NIL

1.7.2 Action taken for Recovery pointed out in Audit reports

Twenty four administrative departments had not taken any action to recover the amount of ₹ 28,570.81 crore in respect of 45 paragraphs including performance audit pertaining to Audit Reports for the year 2000-01 to 2018-19 as per details given in the *Appendix 1.4*.

1.7.3 Compliance to Reports of COPU and PAC

The response of the Administrative Departments towards the recommendations of the Public Accounts Committee (PAC) and Committee on Public Sector Undertakings (COPU) was not encouraging as 673 recommendations contained in 16th to 82nd Reports of PAC for the year 1979-80 to 2021-22 and 232 recommendations contained in 16th to 68th Reports of COPU for the year 1983-84 to 2021-22 were still awaiting final action by the concerned administrative departments as per details given in *Appendix 1.5*. Detail of pending recommendations of the Public Accounts Committee and Committee on Public Sector Undertakings in respect of Departments/PSUs/ABs is given in *Table 1.4*.

Table 1.4: Detail of pending recommendations of PAC/COPU in respect of Departments/ PSUs/ABs as on 31 March 2022

Sr. No.	No. of COPU Recommendations	COPU Report	No. of PAC Recommendations	PAC Report
1.	Energy and Powers			
	47	35 th , 52 nd , 53 rd , 57 th , 58 th , 60 th , 61 st , 62 nd , 63 rd , 64 th , 65 th , 66 th , 67 th , 68 th	2	35 th , 74 th
2.	Industries and Commerce			
	51	41 st , 45 th , 48 th , 49 th , 50 th , 52 nd , 56 th , 57 th , 58 th , 60 th , 62 nd , 65 th , 67 th , 68 th	15	9 th , 16 th , 22 nd , 32 nd , 36 th , 50 th , 68 th , 70 th , 73 rd , 79 th , 81 st
3.	Urban Development			
	15	47 th , 67 th	119	25 th , 32 nd , 36 th , 40 th , 44 th , 48 th , 50 th , 52 nd , 54 th , 58 th , 60 th , 61 st , 62 nd , 63 rd , 65 th , 67 th , 68 th , 72 nd , 73 rd , 74 th , 75 th , 79 th , 80 th , 81 st , 82 nd
4.	Health & Welfare			
	9	60 th , 63 rd , 64 th	99	38 th , 44 th , 50 th , 52 nd , 56 th , 58 th , 60 th , 62 nd , 65 th , 68 th , 70 th , 71 st , 72 nd , 73 rd , 74 th , 75 th , 77 th , 79 th , 80 th , 81 st , 82 nd
5.	Education, Skill Development and Employment			
	-	-	77	34 th , 48 th , 52 nd , 54 th , 56 th , 58 th , 62 nd , 66 th , 70 th , 71 st , 72 nd , 73 rd , 74 th , 75 th , 77 th , 79 th , 80 th , 81 st , 82 nd , 80 th , 77 th , 81 st , 82 nd
6.	Finance			
	-	-	14	36 th , 40 th , 50 th , 56 th , 58 th , 62 nd , 63 rd , 65 th , 67 th , 74 th , 80 th , 81 st
7.	Rural Development			
	-	-	22	44 th , 50 th , 61 st , 65 th , 67 th , 68 th , 70 th , 73 rd , 81 st , 82 nd
8.	Agriculture, Food and Allied Industries			
	84	16 th , 23 rd , 98 th , 48 th , 49 th , 50 th , 52 nd , 53 rd , 55 th , 56 th , 57 th , 58 th , 59 th , 60 th , 62 nd , 63 rd , 64 th , 65 th , 66 th , 67 th , 68 th	86	23 rd , 34 th , 36 th , 40 th , 42 nd , 52 nd , 54 th , 56 th , 58 th , 60 th , 62 nd , 63 rd , 65 th , 67 th , 68 th , 71 st , 72 nd , 75 th , 77 th , 79 th , 80 th , 81 st , 82 nd
9.	Water Resources			
	3	42 nd , 51 st	34	22 nd , 46 th , 50 th , 58 th , 60 th , 67 th , 68 th , 71 st , 72 nd , 73 rd , 75 th , 80 th , 81 st , 82 nd
10.	Transport			
	-	-	9	50 th , 74 th , 75 th , 80 th , 81 st , 82 nd
11.	Environment, Science and Technology			
	2	58 th , 66 th	37	56 th , 58 th , 60 th , 63 rd , 67 th , 68 th , 72 nd , 74 th , 77 th , 79 th , 80 th , 81 st , 82 nd
12.	Public Works			
	15	55 th , 57 th , 60 th , 61 st , 62 nd , 64 th , 68 th	54	38 th , 40 th , 50 th , 52 nd , 54 th , 58 th , 60 th , 61 st , 62 nd , 63 rd , 64 th , 68 th , 64 th , 71 st , 72 nd , 73 rd , 75 th , 77 th , 79 th , 80 th , 82 nd
13.	IT and Communication			
	1	67 th	-	-
14.	Law and Order			
	2	60 th , 68 th	20	50 th , 56 th , 63 rd , 67 th , 68 th , 70 th , 73 rd , 74 th , 75 th , 77 th , 79 th , 80 th , 82 nd
15.	Culture and Tourism			
	3	59 th , 62 nd	3	60 th , 77 th , 80 th
16.	General Administration			
	-	-	82	26 th , 34 th , 44 th , 52 nd , 54 th , 56 th , 58 th , 60 th , 61 st , 63 rd , 64 th , 65 th , 68 th , 70 th , 72 nd , 73 rd , 74 th , 75 th , 80 th , 82 nd
	232		673	

Chapter-2

Subject Specific Compliance Audit of District Plan Scheme

CHAPTER 2

Finance Department

2. Subject Specific Compliance Audit of District Plan Scheme

2.1 Introduction

Decentralisation of Planning process has acquired considerable significance with 73rd and 74th Constitutional Amendment Act. The basic idea to formulate District Plan (DP) was to involve Panchayati Raj Institutions (PRIs) and local bodies in preparation of area plans and implementation of schemes for economic development and social justice. This process was expected to result in efficient use of resources, equitable sharing of benefits from development and giving power to local bodies. The District Plan scheme was introduced in Haryana in the year 2008-09 for carrying out various development works in the State. “District Plan” is a development scheme running in the Department of Economics and Statistical Analysis (DESA), Haryana for carrying out various development works in the State. It has two components, General component and Scheduled Castes Sub Plan (SCSP) component. As per the Government of Haryana (GoH) instructions, 40 *per cent* of total funds are to be spent on the development works for Scheduled Castes and balance 60 *per cent* for General component. GoH constituted District Development and Monitoring Committees (DDMCs) in all the districts during the year 2012-13 with a view to ensure proper and timely utilisation of District Plan Funds in public interest. The Committee in each district is chaired by the Minister heading the District Public Relations and Grievances Committee. The Deputy Commissioner (DC) is the Vice-Chairman of the Committee and also chairs the meeting of DDMC in the absence of Chairman. The Chief Planning and Development Officer (CPDO) is the Budget Controlling Officer (BCO) as well as Drawing and Disbursing Officer (DDO) for drawal/ release of funds which are allocated/ released to districts under “District Plan” scheme. The DDMC is empowered to approve various development works. The DDMC is required to work strictly as per the guidelines on the subject matter issued by the State Government *i.e.* the District Plan Scheme Guidelines (2016).

2.2 Audit Scope, Sampling and Methodology

Subject Specific Compliance Audit (SSCA) covering the period 2018-19 to 2020-21 was conducted between August 2021 and February 2022. Out of 22 districts in the State, seven districts¹ were selected by random sampling through

¹ Ambala, Bhiwani, Charkhi Dadri, Faridabad, Fatehabad, Gurugram, Karnal.

IDEA. Audit exercise included analysis of budget documents, records relating to agenda and minutes of meeting of DDMC, physical and financial progress reports, monitoring by the department, funds receipts and expenditure *etc.*

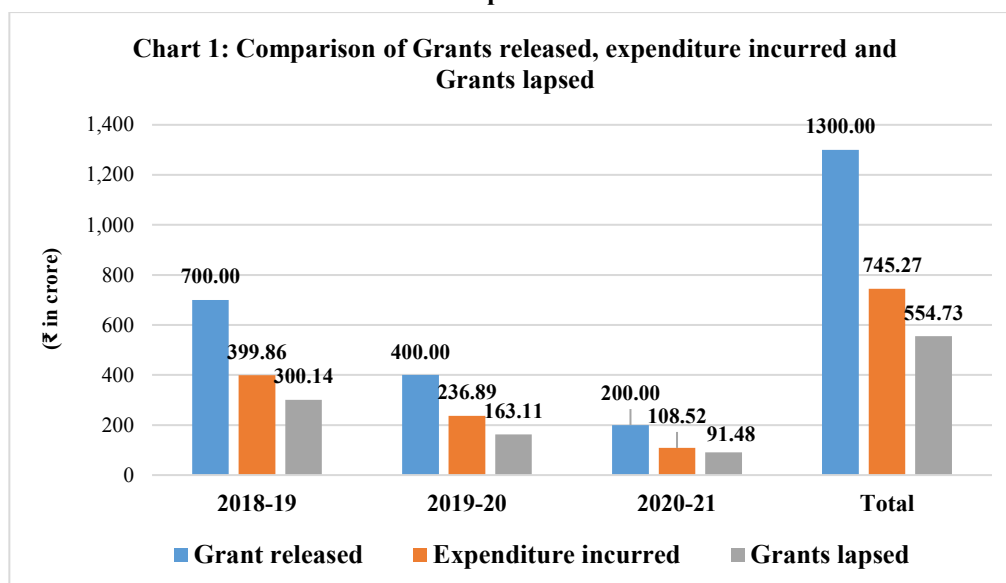
2.3 Budget and Expenditure under development scheme 'District Plan'

Grants released, expenditure incurred and grants lapsed under the scheme for the years 2018-19 to 2020-21 was as given in **Table 2.1** below:

Table 2.1: Detail of Grants released, expenditure incurred and Grant lapsed

Year	Grants Released	Expenditure incurred	Grants lapsed	Lapsed Grant as Percentage of released Grant
	₹ in crore)			
2018-19	700.00	399.86	300.14	42.88
2019-20	400.00	236.89	163.11	40.78
2020-21	200.00	108.52	91.48	45.74
Total	1,300.00	745.27	554.73	42.67

Source: Information collected from the department



There has been a significant decline in the allocation amount in the progressive years from 2018-19 to 2020-21 *i.e.* from ₹ 700 crore in 2018-19 to ₹ 200 crore in 2020-21. This decline is a direct fallout of the inability of the Department to utilise the allocated funds within the scheduled timeframe. The lapsed funds, as a percentage of funds released increased from 42.88 *per cent* in 2018-19 to 45.74 *per cent* in 2020-21 with a minor drop in 2019-20 at 40.78 *per cent*.

The District Plan scheme was intended to strengthen the District Planning in order to achieve optimum outcomes in terms of balanced development with convergence of resources and enforcement of inter-sectoral priorities. For this purpose, the DDMCs included elected representatives as well as official members who were expected to devise plans taking into account locally available resources, infrastructure status and gaps and the aims and vision of the

local people to foster inclusive development and growth. However, the consistent lapse of funds has severely compromised the ability of the Department to achieve the desired objectives.

In reply, the Director, DESA stated (May 2022) that the initial Budget allocation under District Plan scheme for the year 2018-19 was ₹ 400 crore. Further allocation of ₹ 300 crore was made to provide funds for execution of development works under Shivdham Yojana. Out of these ₹ 700 crore, all districts could utilise only ₹ 399.86 crore. Accordingly, a Budget provision of ₹ 400 crore was made for the year 2019-20. The Budget allocation was reduced to ₹ 200 crore for the year 2020-21 keeping in view the restricted developmental activities in lockdown due to COVID-19 pandemic. Thus, the audit observation remains that consistent lapse of funds is assessed to have severely compromised the ability of the Department to achieve the desired objectives.

Audit Findings

Planning

2.4 Delays in submission of approved District Plan

Para 4.4 (Annexure-“I”) of “District Plan” Guidelines provided that approved “District Plan” for the year was to be submitted by CPDO offices to the Director, DESA, Haryana (Planning Department) by 15th March every year and DESA, Haryana is required to release the budget for these development works by 30th of April every year.

During scrutiny of records of selected CPDO offices, it was noticed that approved “District Plan” by DDMC had not been sent to DESA by any of the field offices in time *i.e.* by 15th March of each year. It was noticed that in all seven selected CPDO offices an arbitrary system of preparing the District Plan in three installments during 2018-19 was followed. During 2019-20 and 2020-21, six out of seven selected CPDO offices prepared a single District Plan each year while CPDO Charkhi Dadri did not prepare any District Plan for which no reasons were recorded. There had been delays in sending approved “District Plan” by CPDO offices ranging from 74 to 509 days by selected districts (*Appendix 2.1*). In one particular case, Faridabad District sent the District Plan for the year 2020-21 in August 2021, after a delay of 17 months (509 days) thereby rendering the objective of submitting ‘District Plan’ redundant.

Further, scrutiny of records of DESA, Haryana relating to release of budget/grants revealed that grants under District Plan scheme were released with delays ranging from 24 to 270 days for audit coverage period as detailed in the *Table 2.2* below:

Table 2.2: Details of delay in fund released

Year	Prescribed time	Date of fund released	Delay in days
2018-19	30 April 2018	(i) 02 July 2018	63
		(ii) 12 September 2018	135
		(iii) 25 January 2019	270
2019-20	30 April 2019	(i) 24 May 2019	24
		(ii) 12 June 2019	43
2020-21	30 April 2020	(i) 18 December 2020	232

Source: Information collected from the department

It was also seen that DESA also did not make any efforts to seek the approved District Plans from the CPDO offices. Audit noticed that the submission of approved District Plan was more of a gap filling exercise. Further, delayed release of funds facilitated the possibility that the funds may not be utilised within the envisaged timeframe. The same was noticed and has been detailed in Paragraph 2.6 of this Report.

However, for all the three years of 2018-19, 2019-20 and 2020-21, the funds were released by DESA before receiving the approved District Plans from the CPDO offices, for which no recorded reasons existed, thereby reflecting complete disconnect between submission of District Plans and release of budget by DESA.

In reply, the Director intimated (May 2022) that all CPDOs will be directed to follow the activity chart for preparation of their District Plans. Thus, the audit observations remains that the activity plans of District Plan Guidelines was not followed.

2.5 Lapse of grant under “District Plan” Scheme ₹ 148.81 crore

The District Plans were to be based on a long-term vision, reflecting the needs of the people and providing for convergence of programmes and resources so that implementation of the plan yielded optimal outcomes and helped addressing the regional imbalances. The District Development and Monitoring Committees (DDMC) were constituted in the districts with objective of proper and timely utilisation of District Plan Funds in public interest and avoiding non-utilisation of funds. Further, as per Para 5.3 of the Guidelines of District Plan, CPDO is Budget Controlling Officer as well as DDO for drawal/ release of funds which are allocated/released to the district under “District Plan” Scheme. The unutilised amount lying as on 31st March with DDO lapses which is neither available for revalidation nor reallocation in subsequent financial years.

During scrutiny of records in DESA, it was noticed that funds were allocated to various CPDOs in lump sum and on a discretionary basis without assessing their actual requirement and identifying the underlying purpose for which funds were required to be utilised.

As a result, out of ₹ 376.45 crore grant received in the test checked districts during 2018-19 and 2019-20, only ₹ 227.64 crore was utilised and ₹ 148.81 crore (39.53 per cent) lapsed (*Appendix 2.2*). This lapsed amount is assessed to have negatively impacted the desired outcomes envisaged in the approved District Plans. The reasons for lapse of funds were mainly on account of sanction of funds prior to or without carrying out feasibility study of works, delayed release of funds, works already carried out under other scheme, work sites being disputed, etc.

On being pointed out, office of the CPDOs Ambala and Gurugram stated that it will be taken care of in future. CPDO, Fatehabad stated that during the year 2018-19 and 2019-20 some approved works were not found feasible/not started. The CPDO Bhiwani stated that due to COVID 19, delayed release of funds and stoppage of mining work by National Green Tribunal were main reasons for the lapse of funds, whereas CPDO Faridabad intimated that reply will be sent after examining the matter. Reply of ADC-cum-CPDO, Karnal and Charkhi Dadri was awaited (February 2022).

In reply, the Director DESA intimated (May 2022) that proposals/demands for development works were received from different sources such as Gram Panchayats/Urban Local Bodies/PRI, etc. which took time to compile these proposals/demands before submitting to DDMC for approval. However, instructions have been issued to all CPDOs to utilise the district Plan funds. Thus, the audit observation remains that the activity plan of District Plan Guidelines was not followed.

Works related issues

2.6 Expenditure made on the works not permissible under District Plan Scheme ₹ 5.52 crore

Para 4.5 of District Plan guidelines provided that only the works mentioned in Annexure-II of the guidelines were permissible under “District Plan” and works mentioned in Annexure-III were not permissible. Para 3.1 of guidelines provided that DDMC was to work strictly as per guidelines on the subject matter issued by the State Government. If any doubt arose on permissibility of a work, the same was to be clarified from DESA, Haryana (Planning Department) before the start of work.

Scrutiny of records of the office of CPDOs for the period 2018-19 to 2020-21 revealed that an expenditure of ₹ 5.52 crore (sanctioned amount ₹ 5.65 crore) was incurred on 128 (*Appendix 2.3*) different works on the development schemes that were assessed ineligible under this scheme as these works were not covered under District Plan Scheme. These works mainly pertained to outdoor fixed children multi activities play system in various schools, open

fixed Gym², activities for religious purpose, construction works undertaken in Khera compound³, constructions works of vridh ashram⁴, works of roundabouts on roads *etc.* The district wise summary and number of non-permissible works, funds sanctioned and actual amount incurred is given in **Table 2.3**.

Table 2.3: Non-permissible works undertaken in selected districts during 2018-19 to 2020-21

Sr. No	CPDO	No. of works	Sanctioned amount	Actual expenditure
			(Amount in ₹)	
1	Ambala	2	16,00,000	15,63,711
2	Bhiwani	49	2,15,70,000	2,16,84,410
3	Fatehabad	65	2,71,75,000	2,66,28,130
4	Faridabad	05	23,65,000	18,98,000
5	Gurugram	03	24,90,000	22,70,994
6	Karnal	04	12,84,000	11,75,297
	Total	128	5,64,84,000	5,52,20,542

On being pointed out, office of the ADC-cum-CPDO Ambala and Gurugram stated (December 2021 to January 2022) that matter will be examined and audit will be intimated accordingly whereas CPDO, Fatehabad stated (January 2022) that clarification will be taken from Directorate and audit will be intimated accordingly. ADC-cum-CPDO Bhiwani stated (February 2022) that the works of multi play system for government schools are helpful for increasing the admission/enrollment in the government school and also beneficial for extracurricular activities and health of the students/people. CPDO Faridabad intimated that reply will be sent after examining the matter whereas reply of ADC-cum-CPDO Karnal was awaited (February 2022).

In reply, the Director DESA intimated (May 2022) that all CPDOs will be directed for strict compliance of scheme guidelines in this regard in future.

2.7 Incomplete/unutilised works

(i) Incomplete works

Para 4.7 of the District Plan Guidelines provided that the works approved by DDMC should be completed within the same financial year otherwise unspent funds will lapse on 31st March. Further, Para 4.9 of the District Plan guidelines provided that after completion of works, the created assets were to be handed over to the concerned Gram Panchayat/ Municipality by the executing agency for its proper utilisation and maintenance. Any kind of recurring expenditure on the created assets was to be borne by the concerned Gram Panchayat/ Municipality or end-users at their own level. No recurring expenditure was allowed under this scheme.

² Open Fixed Gym: Gym equipments fixed in an open area such as in park.

³ Khera Compound: Khera Compound is an open area associated as a symbol of God which is constructed in most of villages in the State of Haryana.

⁴ Vridh Ashram: Vridh ashram is a place where old people live together, often managed by a trust or some people.

During scrutiny of records of selected CPDOs, it was noticed that in three units (Ambala, Faridabad and Gurugram) approved work by DDMC were started but remained incomplete till the date of audit. Due to non-completion of work, objective of construction of specific work remained unfulfilled. Thus, expenditure made on the works was assessed as unfruitful. Details of incomplete works are mentioned in **Table 2.4** as under:

Table 2.4: Incomplete Works

Sr. No.	Name of Block/MC/ Gram Panchayat/ District	Year	Name of works	Approved	Expenditure	Status
				(Amount in rupees)		
1.	BDPO, Pataudi, Gurugram	2018-19	B/Wall of Shamshan Ghat, Village-Heraheri	7,40,000	2,60,602	Out of four sides of B/wall only three sides has been constructed.
			Shed & B/Wall of Shamshan Ghat, Village-Gauriawas	8,00,000	5,53,370	Out of four sides of B/wall only two sides has been constructed.
			Shed & B/Wall of Shamshan Ghat, Village-Khetiyawas	5,00,000	1,66,315	Only shed has been constructed. B/wall not constructed.
2.	MC Naraingarh, Ambala	2018-19	Street Near Plot of Ajay	2,82,000	1,08,664	Work was started but not completed.
3.	BDPO Ballbgarh, Faridabad	2018-19	B/Wall of community centre at village Gharoda	5,00,000	3,05,934	Out of three sides of B/wall only two sides has been constructed.
Total				28,22,000	13,94,885	

Audit did not come across any mechanism being followed by the Department for timely monitoring towards execution of works despite being provided in District Plan Guidelines (Paragraph 8). An exit conference was held with the Additional Chief Secretary, Finance and Planning Department (ACS) on 17 May 2022. The ACS stated that a set of instructions would be issued by the Directorate to field offices with respect to monitoring of works carried out under the scheme so as to achieve better results of works carried out under District Plan. Final action was awaited.

(ii) Unutilised works

Para 4 of the District Plan guidelines mandated that the District Plan was to be based on realistic assessment of the ground realities, potentials, problems and local needs of the people in the respective district. The genuine requirement of works with regard to locally felt needs based on their urgency/priority was to be kept in view.

During joint inspection of works carried out under District Plan on 16 February 2022 along with CPDO Charkhi Dadri, it was noticed that two works namely; (i) construction of Aanganwadi Centre (Indrawati) under SCSP component which was constructed in 2018-19, for which the sanctioned amount was ₹ 10 lakh against which actual expenditure incurred was ₹ 10.07 lakh and (ii) construction of Hall at Kheri Bura which was constructed

in 2018-19 with sanctioned amount of ₹ 10 lakh against which actual expenditure was ₹ 4.33 lakh were in poor condition. Both the buildings were unused and in shabby condition. There was no boundary wall around the building, no gate or fencing was done to cover the area around the hall and no approach was provided to enter the building from the main street. Audit sought the copies of the estimates and payment vouchers from the CPDO, Charkhi Dadri. However, the same were not provided to Audit.

In the Aanganwadi Centre at Indrawati, the building was not plastered from inside or outside and not painted despite incurring expenditure more than the estimated cost. Windows and doors were also not provided for in the building. Expenditure on both the works rendered to be unfruitful as it was not intimated to audit that that whether the buildings have been handed over to the beneficiaries after completion of work.

Photographs showing unutilised completed structures



In reply, the Director DESA (May 2022) intimated that details regarding missing elements in the estimates prepared by the Executing Agency which led to non-utilisation of assets and status of handing over these assets to intended beneficiaries will be sought from CPDO, Charkhi Dadri and the necessary directions will be issued for completion of these incomplete works to make them usable.

2.8 Execution of works undertaken without tender

Para 5.1 of “District Plan” guidelines provided that the executing agencies were to ensure that the works were executed departmentally as per the prescribed specifications. For cost effectiveness, transparency and eradicating the corruption the scheme/works were to be executed through tendering, particularly for schemes/works costing more than ₹ five lakh. The amount of ₹ five lakh was revised to ₹ 10 lakh by DESA (February 2017).

During scrutiny of records of the selected offices, it was noticed in the Office CPDO, Gurugram that three works amounting more than ₹ 10 lakh were conducted without tendering process in violation of guidelines as mentioned in the **Table 2.5** below:

Table 2.5: Works conducted without tendering process

Sr. No.	Year	Name of MC/ Block/ Gram Panchayat	Name of Village/ Ward no	Name of Work	Amount approved (in ₹)	Amount utilized (in ₹)	Status
1.	2019-20	Block-Farukh Nagar	Kaintawas	Pond Rejuvenation	25,00,000	24,74,336	Work in Progress
2.		Block-Sohna	Kharoda	Development works in School	15,00,000	8,20,759	Work in Progress
3.		Farukh Nagar	Jodi Khurd	Rasta from Jodi Khurd to Main road	13,00,000	13,00,000	Completed
Total					53,00,000	45,95,095	

In reply, the Director DESA intimated (May 2022) that all CPDOs will be directed to strictly adhere to the scheme guidelines in this regard.

2.9 Common Deficiencies in execution of works executed under District plan scheme

During scrutiny of records of selected districts, audit noticed the following common deficiencies in the works executed under District Plan Schemes as mentioned below:

Common deficiencies in the works executed under District Plan

Sr. No.	Criteria for works as per “District Plan” guidelines	Status in selected districts
1.	Para 4.9 of the guidelines stated that after completion of works, the created assets were to be handed over to the concerned Gram Panchayat/ Municipality by the executing agency for its proper utilisation and maintenance. Any kind of recurring expenditure on the created assets was to be borne by the concerned Gram Panchayat/ Municipality or end-users at their own level.	Out of 61 MCs/BDPOs/Agencies working under six CPDOs this provision was not implemented by 57 MCs/BDPOs/Agencies in six CPDOs. On being pointed out CPDOs Ambala, Gurugram and Fatehabad replied that instructions in this respect will be issued to concerned MCs/BDPOs/Agencies. In Reply to audit memo CPDO Bhiwani, Charkhi Dadri and Karnal stated that this practice would be followed in future.
2.	Para 5.5 of the guidelines stated that funds were to be released/spent only on the works approved by DDMC. Ex-post-facto approval/ sanction for any work was to be accorded only under special circumstances by Director, DESA, Haryana. In case, any work was required to be replaced, approval of the same was to be obtained by referring the matter to Director, DESA, Haryana with full justification and an undertaking that sufficient funds were available with that district for the execution of this work.	In five out of seven test checked CPDOs, in Charkhi Dadri, Fatehabad, Faridabad, Gurugram and Karnal 124 works (<i>Appendix 2.4</i>) having sanctioned cost of ₹ 594.38 lakh and with an expenditure incurred being ₹ 487.97 lakh during 2018-19 to 2020-21 were replaced without justification for change of work and without approval from DESA. It was noticed in CPDO Fatehabad that the location of executing of a work relating to construction of a shed was changed without approval of DDMC. The absence of justification in these cases renders the provision futile. No such cases were found in Bhiwani and Ambala. On being pointed out CPDOs Fatehabad Faridabad and Gurugram stated (December 2021 to January 2022) that matter will be examined and audit will be intimated accordingly. Reply of CPDO Charkhi Dadri and Karnal was awaited (February 2022).

Sr. No.	Criteria for works as per “District Plan” guidelines	Status in selected districts
3.	Para 7.5 of the guidelines stated that CPDO as well as Panchayats/Municipalities were to maintain an asset register indicating the requisite details of works both in financial and physical terms executed under District Plan Scheme.	<p>Out of 69 Panchayats/Municipalities corresponding to the seven CPDOs, asset registers were not maintained by 29 Panchayats/Municipalities of three CPDOs Ambala, Gurugram and Fatehabad. Further Assets Register was not maintained in the office of the CPDO Fatehabad and Faridabad. Asset Register was maintained in remaining five out of seven CPDOs.</p> <p>In absence of asset register with the end users, the system of ensuring dual check on financial and physical details of works could not be enforced.</p> <p>On being pointed out, CPDO Ambala, Gurugram and Fatehabad stated that instructions in this respect will be issued to concerned MCs/BDPOs/Agencies while CPDO Faridabad intimated that reply will be sent after examining the matter.</p>
4.	Para 7.9 stated that the works of cement concrete streets or pavers block streets with drains for disposal of dirty water were to be executed after obtaining assurance from Public Health, Electricity and Telephone Departments that the pavement would not be dug for laying pipelines, wiring <i>etc.</i> at least in the next 5 years.	<p>Audit noticed that in 1,901 works of cement concrete streets/paver block streets with drains for disposal of dirty water executed in seven CPDO offices, assurance/ certificates were not obtained in any of the seven selected offices. In absence of these assurances/certificates, there is a possibility that these works may be destroyed/damaged as a result of digging by other public utility departments.</p> <p>On being pointed out, CPDO Ambala, Gurugram and Fatehabad stated that instructions in this regard will be issued to concerned MCs/BDPOs/Agencies. CPDO Bhiwani stated that practically it was not possible to take permission/ No Objection Certificate (NOC) from many Departments. In reply to audit memo, executing agencies under jurisdiction of CPDO Karnal and Charkhi Dadri, stated that this practice would be followed in future.</p>
5.	Para 7.11 stated that a sign board of the scheme was to be installed at the site of work showing the name of scheme and other details on each work site.	<p>Out of 61 MCs/BDPOs/Agencies of six selected CPDOs, 58 MCs/BDPOs/ Agencies of six CPDOs Ambala, Bhiwani, Charkhi Dadri, Gurugram, Fatehabad and Karnal intimated that that installation of signboard was not being carried out.</p> <p>On being pointed out, CPDOs Ambala, Fatehabad and Gurugram stated that instructions in this regard will be issued to all MCs/Blocks/Agencies. Reply of CPDO Bhiwani, Karnal, and Charkhi Dadri was awaited.</p>

During exit conference (May 2022), the ACS stated in respect of audit objection at Sr. No. 1 and 3, that data relating to assets created under District Plan scheme for a period of five years in reverse chronological order from 2020-21 to 2017-18 would be uploaded on the official website of the Planning Department.

In reply, the Director DESA intimated (May 2022) that all CPDOs will be directed to ensure that Executing Agencies will take care of such common deficiencies in future while executing the works.

2.10 Non-submission of utilisation certificate to DESA

As per para 7.6 of District Plan guidelines, CPDO was to furnish a Utilisation Certificate (UC) of each work, duly signed by him, to Director, DESA, Haryana after collecting the same from Executing Agency immediately after completion of the work stating the amount sanctioned and utilised for the aforesaid work.

Scrutiny of records revealed that in six out of seven selected CPDOs, UCs had been submitted to the DESA, Haryana. In CPDO Fatehabad, UC amounting ₹1,980.64 lakh for the period 2018-19 and amounting to ₹ 1,121.58 lakh for the period 2019-20 had not been sent to DESA (January 2022). In the absence of the UC, audit cannot provide the assurance that the work had been completed and amount utilised for approved work.

On being pointed out (January 2021) CPDO, Fatehabad stated that Utilisation Certificates will be sent to headquarter and audit will be intimated accordingly.

During exit conference, the ACS stated (May 2022) that the District Plan in future would be reviewed in two phases in every year. If the work progress in the first phase is not assessed to be satisfactory, a mechanism would be devised to transfer the remaining funds to other districts and the second instalment would be released only after satisfactory utilisation of funds along with furnishing of corresponding UCs. In reply, the director DESA (May 2022) intimated that instructions will be issued to CPDO, Fatehabad to submit the pending utilisation certificates as soon as possible and intimated to audit accordingly.

Monitoring

2.11 Non/short monitoring of works by DDMC quarterly

Para 3.2 of District Plan guidelines stated that DDMC was to meet at least once in every quarter for the transaction of business including the activities. Further, Para 3.3 of guidelines provided that Director, DESA, Haryana could be requested to attend meeting himself or to depute his representative to attend the DDMC meeting as special invitee. In addition, as per Para 3.9 of the guidelines, DDMC was to review the progress of works/schemes under District Plan in quarterly meeting and a copy of the minutes of quarterly meeting was to be sent to Director, DESA, Haryana.

During scrutiny of records of selected units, audit noticed that none of the DDMCs met as per the time schedule provided in the guidelines and neither the Director, DESA nor his representative attended the DDMC meetings even once. In place of 12 quarterly meetings due in three years, only three to six quarterly meetings were held by CPDOs during the years 2018-19 to 2020-21 as detailed in the **Table 2.6**.

Table 2.6: Details of DDMC Meetings held during 2018-19 to 2020-21

Sr. No.	Name of District	Number of meetings during 2018-19 to 2020-21		
		To be held as per guidelines	Held	Held short
1.	Ambala	12	3	9
2.	Fatehabad	12	5	7
3.	Gurugram	12	6	6
4.	Faridabad	12	5	7
5.	Karnal	12	5	7
6.	Bhiwani	12	5	7
7.	Charkhi Dadri	12	4	8

Source: Information collected from the department

The provisions for monitoring were assessed as a critical tool to ensure the achievement of optimum outcomes in terms of balanced development with convergence of resources and enforcement of inter-sectoral priorities brought out in the District Plan. A direct impact of lapses on part of monitoring was seen in lapsing of budget, as brought out in Paragraph 2.5 of this Report.

On being pointed out CPDOs Ambala, Fatehabad and Gurugram stated (December 2021 to January 2022) that it will be taken care in future. CPDO Bhiwani stated that due to busy schedule and COVID, the targeted number of quarterly meeting was not achieved. CPDO Faridabad intimated that reply will be sent after examining the matter.

In reply, the Director DESA (May 2022) stated that the meeting of DDMC could not be conducted on regular basis because of restrictions imposed due to spread of COVID-19 pandemic. Reply was not acceptable as COVID-19 pandemic was spread during 2020-21 but non/short monitoring of works by DDMC was in all the three years.

2.12 Non-submission of physical and financial progress report to head office

As per Para 8.8 of District Plan guidelines, quarterly/ annual physical and financial progress reports of the works undertaken in the prescribed formats were required to be sent on-line to the Director, DESA, Haryana within 15 days after the end of every quarter/ year without awaiting any communication from the head office.

Scrutiny of the records of the selected CPDO offices revealed that while CPDO Ambala did not send any physical and financial progress reports; CPDO Fatehabad, Gurugram and Faridabad sent lesser number of physical and financial progress reports than due. CPDO Karnal, Bhiwani and Charkhi Dadri had did not provide the record. The provision of progress reports was to ensure effective monitoring of the works being undertaken. The fact that no action was taken by DESA to address the issue highlighted the gaps in implementation of this provision. The details of progress reports sent to DESA

by the selected CPDOs is given in **Table 2.7**.

Table 2.7: Number of progress reports sent to DESA by CPDOs

Sr. No.	Name of District	Number of progress reports to be sent during 2018-19 to 2020-21					
		Due as per guidelines		Actually Sent		Gap between due and actually sent	
		A	Q	A	Q	A	Q
1.	Ambala	3	12	-	-	3	12
2.	Fatehabad	3	12	2	4	1	08
3.	Gurugram	3	12	3	12	0	0
4.	Faridabad	3	12	3	0	0	12
5.	Karnal	3	12	Record not provided			
6.	Bhiwani	3	12	-do-			
7.	Charkhi Dadri	3	12	-do-			

Annual: A, Quarter: Q.

On being pointed out (January 2022) CPDO Ambala and Fatehabad stated that it will be taken care in future. CPDO Faridabad intimated that reply will be sent after examining the matter. Reply of CPDO Bhiwani, Charkhi Dadri and Karnal was awaited.

In reply, the Director DESA (May 2022) intimated that the financial progress was monitored regularly at Headquarters level on the basis of online expenditure. It was also intimated that all CPDOs will be instructed to send the quarterly/annually physical as well as financial progress reports of the works undertaken in the prescribed formats of District Plan Guidelines. Reply was not acceptable as concerned CPDOs admitted the facts regarding non-submission of physical and financial reports to the head office regularly.

2.13 Physical inspection not conducted for development works executed under District Plan

Para 8.5 of 'District Plan' guidelines provides that planning officers were to conduct physical inspection of development works executed under District Plan scheme at least once in a week. The CPDO and Deputy Commissioners were to conduct physical inspection of development works executed under District Plan scheme at least once in a month. These inspection reports were required to be sent to Director, DESA, Haryana.

Scrutiny of records of selected CPDOs revealed that while the physical inspection of development works was not conducted by CPDO Ambala and Fatehabad whereas Planning Officer, Gurugram conducted 71 physical inspections out of 156 inspections due during audit period. Physical inspection was conducted by CPDO Faridabad from February 2021 onwards. However, CPDO Bhiwani, Charkhi Dadri and Karnal had not maintained any record for their field inspection. As such audit is not in a position to comment upon any deficiency with respect to the field visits carried out in these offices.

On being pointed out (September 2021 to February 2022) CPDO Ambala, CPDO Fatehabad, CPDO Gurugram stated that the matter will be taken care in

future whereas CPDO Faridabad intimated that reply will be sent after examining the matter. Reply of CPDO Bhiwani, Charkhi Dadri and Karnal was awaited.

In reply, the Director (DESA) intimated (May 2022) that reports were being sought from the concerned CPDOs regarding physical inspection of development works executed under the scheme.

2.14 Work not found constructed at site with expenditure of ₹ 9.90 lakh

As per Para 8.3 of the District Plan guidelines, the CPDOs were to monitor regularly/periodically the development schemes/works sanctioned under District Plan.

During scrutiny of records of CPDO, Gurugram, it was noticed that a work was approved by DDMC during the year 2018-19 for construction of a road from Mata Mandir to house of Laxmi Narain in Ward No. 2 Haily Mandy on which an expenditure of ₹ 9.90 lakh was incurred. During joint physical verification of work (December 2021), it was noticed that this road had not been constructed. In the joint inspection, it was stated by Secretary, MC Haily Mandi that Water Bound Macadam⁵ (WBM) was started but the matter went to court. Details of the work have been given in **Table 2.8** below:

Table 2.8: Details of Work not found on site

Name of MC	Year of Work	Name of Work	Sanctioned Amount	Expenditure	Status of Payment
MC, Haily Mandy	2018-19	Construction of road from Mata Mandir to House of Laxmi Narain in ward no. 2, Haily Mandy	₹ 9,90,000	₹ 9,90,000	Payment was made to the supplier

The payment against works was made without any corresponding physical verification. In absence of an effective monitoring mechanism, adequate safeguards were required to be built in while making payments against works, which was not done. No such case was noticed by Audit in any other selected CPDO.

On being pointed out (December 2021) office of the CPDO, Gurugram stated that now the matter is sub-judice and that Audit will be intimated after judgment of court. On being specifically asked, the copy of court case was not made available to audit.

⁵ Water Bound Macadam: Water Bound Macadam is a road construction procedure. It is a type of flexible pavement in which the base and surface layer contains crushed stone or broken rock pieces and materials are well interlocked with the help of a mechanical roller. Then the voids are filled with the help of screening material and binding materials (stone dust) along with water and compaction.

The Department intimated (September 2022) that a fact finding inquiry was conducted by Additional Director, DESA which found that an expenditure of ₹ 9.90 lakh was incurred but mentioned road had not been constructed.

2.15 Conclusion

- Plans were prepared and sent to HQ with considerable delay the corollary of which was delayed start of work and consequential lapse of funds.
- The allocation of amounts under the District Plan scheme was on lump sum and discretionary basis, without identifying the underlying purpose.
- Due to lack of monitoring, works which are not permissible under this scheme have been undertaken by field offices.
- Out of 61 MCs/BDPOs/Agencies working under six CPDOs, the created assets in 57 MCs/BDPOs/Agencies were not handed over to the concerned Gram Panchayats/Municipalities.

2.16 Recommendation

The Government/Department may consider the following action for improvement:

- Need to continue funding through this scheme may be reviewed.
- Formulation and submission of District Plans should strictly adhere to guidelines that have been issued by the Government.
- Works should be monitored regularly by field offices as well Directorate office by all designated officers so as to ensure timely completion of work besides completion of work as per approved estimates.
- Works should be undertaken which are permissible under this scheme and in case of any work not covered under the scheme needs to be executed; approval of competent authority should be obtained.

Chapter-3

Subject Specific Compliance Audit of Transfer of Municipal Duty levied as part of Stamp Duty to the Municipal Bodies

CHAPTER 3

Urban Local Bodies Department

3. Subject Specific Compliance Audit of Transfer of Municipal Duty levied as part of Stamp Duty to the Municipal Bodies

3.1 Introduction

There are three types of Municipal Bodies in Haryana. These are Municipal Corporations governed by Haryana Municipal Corporation Act, 1994 (HMC Act) and Municipal Councils & Municipal Committees governed under Haryana Municipalities Act, 1973 (HM Act). Section 87 (1) (c) of HMC Act, 1994 and Section 69(c) of HM Act, 1973 enable the Municipal Bodies to levy a duty at the rate of one *per cent* to three *per cent* (hereinafter referred to as Municipal Levy) on transactions of transfer of immovable property within the Municipal Area of the concerned Municipal Body. Such stamp duty is collected by the Registrar/Sub-Registrar in the shape of non-judicial stamp paper at the time of registration of the document and intimation thereof is sent to the concerned Urban Local Bodies (ULBs).

Subject Specific Compliance Audit (SSCA) was conducted for the period 2016-21 at Director of Urban Local Bodies Department (DULB); Municipal Corporations (MCs) of Gurugram, Rohtak and Yamunanagar; Finance Department of Government of Haryana (GoH) and Directorate of Local Audit Department. The objectives of the SSCA were to review the process of raising of the claims by Municipal Bodies in respect of Municipal Levy, the accounting mechanism, reconciliation process of Municipal Levy amongst the Revenue Department, DULB, concerned Municipal Bodies and office of Accountant General (Accounts & Entitlement) Haryana, the mechanism in Local Audit Department (Primary Auditor of Municipal Corporations) for deriving assurance on the transfer of Municipal Levy to the concerned Municipal Bodies.

3.1.1 The transfer of the Municipal Levy to Directorate of Urban Local Bodies through executive instructions was commented by the Principal Accountant General (Audit), Haryana in its interim Audit Findings contained in its Inspection Reports. GoH amended Section 87 and Section 69 of the HMC Act 1994 and HM Act 1973 respectively through two separate notifications dated 22 August 2022 to authorise the State Government to notify transfer of the amounts collected under these Sections of HMC Act 1994 and HM Act 1973 to concerned Municipal Bodies as well as on behalf of concerned Municipal Bodies to the Haryana Urban Infrastructure Board for development of infrastructure in any area of the Corporation of the State (HMC Act 1994) and in any area of the Committee (HM Act 1973) as the State Government

may determine by notification. The amendment provided for being effective from 1 April 2021. Statement of objects and reasons for the amendment stated that amendment was required to remove the anomaly of government notification with the Municipal Acts as highlighted in the Inspection Reports of Principal Accountant General (Audit) Haryana in its Inspection Report dated 2 February 2022.

Audit Findings

3.2 Methodology of Transfer adopted by State Government

Government of Haryana at different points of time adopted different methodologies, processes and accounting procedures for transfer of the Municipal levy to the concerned Municipal Bodies.

Prior to April 2012, no budgetary provision was made for payment of share of municipal levy to the municipal bodies and payment was based on actual basis. With effect from April 2012 payment of share of Municipal Levy to concerned Municipal Bodies was made through Budgetary Provisions in Annual Budget. Budget estimation process included making provision under accounting classification Head “P-01-15-2217-80-191-96-51¹” for payment to Municipal Corporations and “P-01-15-2217-80-192-92-51²” for Municipal Councils/ Municipal Committees.

No written instructions with regard to procedure requiring submission of claim by Municipal Bodies for transfer of Municipal Levy was found in record. The system of accounting and transfer of Municipal Levy during April 2012 to March 2021 was found contrary to the provision of List of Major and Minor Head of Accounts and is assessed to be irregular. Efforts to determine/find, reasons for change in procedure for transfer and accounting of Municipal Levy w.e.f. April 2012 were constrained by Scope Limitation in form of access to relevant record in office of DULB and Finance Department.

On being pointed out, on the advice of the office of Principal Accountant General (A&E) Haryana (February 2021), the State Government decided (June 2021) that two *per cent* stamp duty would be transferred to Municipal Bodies/ DULB Department under the accounting classification ‘Major Head 0030-02

¹ Part 01 of State Scheme- P-01, Demand No-15, Major Head – 2217 Urban Development, Sub-Major Head- 80 General, Minor Head- 191 Assistance to Municipal Corporation, Sub Head- 96 Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Corporations, Detail Head- 51 for payment to Municipal Corporations.

² Part 01 of State Scheme- P-01, Demand No-15, Major Head – 2217 Urban Development, Sub-Major Head- 80 General, Minor Head- 192 Assistance to Municipal Corporation, Sub Head- 92 Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Councils and Committees, Detail Head- 51 for payment to Municipal Council/Committee.

(Stamp Non-Judicial) – 901 (Deduction to local bodies)-99 (Share of Stamp duty)-51(NA)-00’ on monthly basis, as per LMMH and similar to the system prior to April 2012.

3.3 Delay in claiming the Municipal Levy

During scrutiny of audit of three selected Municipal Corporations it was seen that there was delay upto 508 days in submission of claims by the Municipal Corporations during 2016-17 to 2020-2021. The delays are detailed in **Table 3.1** below.

Table 3.1: Delay in submission of claims for Municipal Levy

Name of Corporation	Total number of claims to be submitted during 2016-2021	Claims presented on time by Municipal Corporation	Claims not presented by Municipal Corporation	Number of claims presented with delays	Delay in submission of claims in days
Gurugram	60	12	27	21	1 to 214
Rohtak	60	22	-	38	2 to 508
Yamunanagar	60	31	3	26	1 to 111

Note: The period for submission of monthly bills while calculating delays has been taken as one month for the month for which due e.g. for April 2019, the delay has been taken from 1 June 2019.

3.4 Transfer of Municipal levy to Municipal Bodies during 1 April 2016 to 31 March 2021

3.4.1 Scope Limitation

Record related to change in the system for transfer of the levy under HMC Act and HM Act with effect from April 2012 was not made available to the audit by Finance Department and DULB leading to material scope limitation. Besides, record related to the period 2012-13 to 2015-16 for the preparation of annual budget for the purpose of transfer of this levy to Municipal Bodies was also not made available by DULB leading to scope limitation.

3.4.2 Budgeting and Transfer of Municipal Levy

The details of budget allocated to Municipal Corporations/Municipal Councils/Municipal Committee, Budget requirement as per instructions of the Finance Department (FD) in respect of Municipal Levy and amount transferred to Municipal Bodies as per record of Municipal Bodies as well as DULB for 2016-21 are given in the **Table 3.2**.

Table 3.2: Shortfall in budget allocation & utilization and outstanding Municipal Levy
(₹ in crore)

Year	Budget requirement as per instruction of FD	Budget allocated ³	Shortfall in budget allocation	Actual utilisation of budget ⁴	Short utilisation of Budget	Outstanding Municipal Levy as per Municipal Bodies (opening balance)	Additional Due Municipal Levy as per Municipal Bodies	Municipal Levy received as per Municipal Bodies	Balance outstanding as per Municipal Bodies (Closing Balance)	Amount withdrawal as per DULB
	A	B	C=A-B	D	E=B-D	F	G	H	(F+G)-H=I	J
2016-17	1,330.05	726.00	604.05	470.2	255.80	752.94	601.82	478.10	876.66	462.06
2017-18	1,478.48	1,198.60	279.88	990.89	207.71	876.66	775.42	988.73	663.35	983.03
2018-19	1,438.35	878.40	559.95	511.1	367.30	663.35	1,036.75	523.30	1,176.80	579.79
2019-20	2,213.13	878.40	1,334.73	627.45	250.95	1,176.80	1,086.99	601.65	1,662.14	627.45
2020-21	2,748.71	2,009.40	739.31	273.39	1,736.01	1,662.14	732.55	215.71	2,178.98	482.60
Total	9,208.72	5,690.80	3,517.92	2,873.03	2,817.77			2,807.49		3,134.93

Source: Budget document of GoH and Appropriation Accounts.

It can be seen from the above Table 3.2 Column I that the outstanding Municipal Levy at the end of year due to Municipal Bodies ranged between ₹ 663.35 crore (at the end of March 2018) to ₹ 2,178.98 crore (at the end of March 2021) during 2016-17 to 2020-21. As on 31 March 2021, the Government of Haryana had not released the rightful share of municipal levies to the municipal bodies.

3.4.3 Retention of Municipal levy by Government of Haryana

The amount of ₹ 2,178.98 crore (Table 3.2) had been retained by the Government of Haryana pertaining to Municipal Bodies as on 31 March 2021.

Comparative analysis of the amount of stamp duty due vis a vis total revenue of the corresponding Municipal Body covered in audit for the period 2016-17 to 2020-21 is presented in the *Table 3.3* as under:

Table 3.3: percentage of cumulative municipal levy to total revenue of MC

(₹ in crore)

Sr. No.	Municipal Corporation	Year	Cumulative ⁵ amount of Municipal Levy due at the end of financial year	Total Revenue for the financial year	Percentage of cumulative municipal levy to total revenue of MC
A	B	C	D	E	F=(D/E)*100
1	Gurugram	2016-17	849.44	731.26	116.20
		2017-18	585.95	1227.46	47.70
		2018-19	952.39	739.13	128.90
		2019-20	1424.80	476.47	299.0
		2020-21	1696.52	466.98	363.30
2.	Rohtak	2016-17	13.60	101.55	13.40
		2017-18	13.52	157.65	8.60
		2018-19	19.57	92.89	21.10
		2019-20	34.94	78.69	44.40
		2020-21	13.99	100.47	13.90
3.	Yamunagar	2016-17	0	112.11	0.0
		2017-18	0	171.12	0.0
		2018-19	0	105.06	0.0
		2019-20	1.42	171.16	0.8
		2020-21	12.73	166.70	7.6

Source: Department's record.

³ Figures from the budget allocated for respective years.

⁴ Source: Appropriation accounts of respective year.

⁵ Opening Balance for the year + Amount due for current year – Amount received in current year = Cumulative amount at end of year.

From the above table, it can be seen that in above selected Municipal Corporations, the due amount of Municipal Levy was retained by the Government in ranging from 0.8 *per cent* (MC, Yamunanagar) to 363.30 *per cent* (MC, Gurugram) of total revenue of the respective years. Retention of Municipal Levy by the Government has significantly impacted the overall financial position of the Municipal Bodies. Had this amount been available with the Municipal Bodies in the corresponding period of levy, the same could have been utilised for discharging the functions devolved to Municipal Bodies.

3.5 Deficient Procedure for Transfer of Municipal levy during April 2012 to March 2021

3.5.1 Details of the budget formation and deficiencies

As per instructions (July 2012) of Principal Secretary to Government of Haryana, Finance Department, two new schemes were opened for the purpose of payment of Municipal Levy to Municipal Corporations and Municipal Committees/ Councils and the budget was to be provided to cover these schemes under the procedure for payment to the Municipal Bodies.

(i) The procedure involved Director Urban Local Bodies (DULB) to function as designated Budget Controlling Authority (BCA) for these schemes and was to distribute the budget to various Deputy Commissioners in the State on the basis of sale of Non-Judicial Stamp Papers during the last financial year.

(ii) To cover these schemes, the online budget was to be allotted to the concerned Deputy Commissioner (DDO) for releasing to Municipal Bodies under their jurisdiction. Then, the DDO would follow the process of determining the actual amount payable to each Municipal Body on the basis of actual sale of Non-Judicial stamp papers and the bills would be presented in treasury for payment to each Municipal Body. In case of shortage of funds, the DDO would approach to the DULB for the same. Thereafter, the DULB would itself review the budget position of each DDOs and expenditure incurred by them in online budget system and further make distribution or if required undertake re-distribution of the budget.

Audit observed that the position in respect of selected Municipal Corporations (Gurugram, Rohtak and Yamunanagar) at the office of DULB confirmed the above findings that while preparing the annual budget for Municipal Levy as share of stamp duty, the DULB did not follow the instructions as laid down by the Finance Department. The budgetary projections prepared for Municipal Corporation, Gurugram were short of its requirements and shortfall ranged between ₹ 373.62 crore to ₹ 1,254.20 crore. For Municipal Corporation, Rohtak this shortfall was ranging between ₹ 5.43 crore to ₹ 31.46 crore and for

Municipal Corporation, Yamunanagar this was ranging between ₹ 0.52 crore to ₹ 10.48 crore during 2016 -17 to 2020 -21. The excess budget of ₹ 1.05 crore was also prepared in 2020-21 for Municipal Corporation, Rohtak and ₹ 4.67 crore in 2017-18 and ₹ 6.21 crore in 2018-19 for Yamunanagar (*Appendix 3.1*).

Thus, there was no uniformity in budget preparation across municipal bodies and showed weak internal controls.

(iii) Audit further observed that the budget estimation for next financial year under the scheme, contribution to Local Bodies from the proceeds of the Stamp Duty to Municipal Bodies was prepared by the DULB on the basis of estimation of 10 *per cent* increase in Budget provisions of the previous financial year. This was against the prescribed procedures as detailed above.

3.6 Internal Control issues resulting in excess transfer of Municipal levy to Municipal bodies in few cases

Though the cumulative total of municipal levies from the Government of Haryana to municipal bodies was ₹ 2,178.98 crore, following instances of irregular excess withdrawal of municipal levies from Government of Haryana to municipal bodies were also noticed.

- Against the due share of stamp duty, the Municipal Corporation, Karnal had drawn excess share of Municipal Levy of ₹ 36.71 crore as on 31 March 2016. Despite the excess payment to Municipal Corporation, Karnal, ₹ 13.91 crore in 2016-17, ₹ 16.45 crore in 2017-18 and ₹ 5.46 crore in 2018-19 were released. The entire amount of excess payment was adjusted in 2019-20 against its due share. Further, it was seen that despite the excess payment in 2015-16, the DULB allocated the budget for releasing the share of stamp duty during 2017-18 and 2018-19.
- Excess payment of share of stamp duty was made to Municipal Corporation, Faridabad in March 2016 and March 2020 and the same was adjusted in next month.
- It was further observed that during 2019-20 and 2020-21, Municipal Council, Kaithal claimed an amount of stamp duty of ₹ 8.65 crore against its share of ₹ 4.78 crore relating to period September 2019 to April 2020. The reasons for the same were not available on record.
- Excess payment of share of stamp duty was made to Municipal Council, Mandi Dabwali of ₹ 1.05 crore during 2015-16 and same was adjusted against the share of stamp duty for the year 2018-19.
- Excess payment of share of stamp duty was made to Municipal Committee in Narayangarh, Indri, Kharkhoda, Hathin, Nissing, Taraori, Pehowa, Nilokheri, Gharunda and Assandh during the year 2016-17 to 2020-21.

The Deputy Commissioners had not followed the process of determining the actual payable amount after getting it verified from respective sub registrars.

3.7 Non-drawal of Municipal levy in respect of Municipal Committee Kundli

Municipal Committee, Kundli was formed in October 2018, but its share of Municipal Levy was not released to it due to problem in software at the level of office of Registrar. In this regard, the DULB, has not taken any action from 2018 to 2021 for rectifying the issue of software and reconciling the share of stamp duty at Municipal Committee, Kundli.

3.8 Transfer of a part of Municipal levy to Director of Urban Local Bodies

Finance Department issued (July 2020) instructions and Urban Local Bodies Department issued a follow up notifications (two in number) in March 2021 on these instructions of Finance Department that Municipal Levy would be charged at the rate of two *per cent* of transaction value and out of two *per cent* stamp duty, one *per cent* would be transferred directly to the Urban Local Bodies (Municipal Bodies) concerned and balance one *per cent* of Municipal levy would go to the common account of the Urban Local Bodies Department.

It is assessed that these notifications are inconsistent with the provisions of HMC Act and HM Act and the impact would continue to reduce the receipts on account of Municipal Levy to all the Municipal Body to the extent of 50 *per cent* of the Municipal Levy *i.e.* one *per cent* stamp duty which would be managed by the DULB for which no accounting procedure has been prescribed.

This process has been further modified by legislative amendments (effective from 1 April 2021) issued through two notifications dated 22 August 2022 with respect to Section 69 of Haryana Municipal Act, 1973 and Section 87 of Haryana Municipal Corporation Act, 1994. As per the amendments, out of the total stamp duty collected (two *per cent*), one *per cent* shall be paid to the Municipal Bodies and balance one *per cent* to the Haryana Urban Infrastructure Development Board. The amendments have been carried out (with retrospective effect) due to absence of legislative provisions to support Government notification of July 2020 providing for transfer of Municipal Levy to Directorate of Urban Local Bodies.

Article 243W of the 74th Constitutional amendment authorised the State Legislatures to enact laws to endow local bodies with powers and authority as may be necessary to enable them to function as institutions of self-Government and make provisions for devolution of powers and responsibilities. The main objective was to empower ULBs through the creation of a robust Institutional framework as well as transfer of functions, funds and functionaries.

The Government notification (July 2020) and amendments (22 August 2022) have led to transfer, accumulation and utilisation of amount received in respect of the Municipal Levy in a centralised fund. It is assessed to have adverse impact on the financial position of the Municipal Bodies as the funds will not be available on the real time basis. The unavailability of the adequate resources will hinder the smooth execution of the functions devolved and Municipal Bodies will be forced to meet the financial requirements through Supplementary budgets/other sources including compromising in execution of functions entrusted to it.

The funds transferred to Haryana Urban Infrastructure Development Board are at discretion of the State Government and can be used beyond the jurisdictional area of Municipal Body for which they have been collected.

Miscellaneous

3.9 Maintenance of Accounting Process for Collection and Transfer of Municipal levy

Rule 12.17 and 2.18 of Punjab Budget Manual, Government of Haryana provides that Head of the Department should maintain a ledger account in Form- 31, which will show sum initially allotted and supplementary grant and on the other side deduction made by re-appropriation.

Further, Head of the Department will prepare a monthly account in Form -29, of expenditure working up the total monthly expenditure under each primary and secondary unit. Thereafter, the statement will be prepared and forwarded to the Accountant General (A&E) along with statement of the disbursing officer.

No subsidiary accounts have been maintained in Sub Registrar (SR) offices. Only the records of transaction/registered instruments are being kept in the office of Sub-Registrar. During the audit of Sub-Registrar/Registrar, it was seen that treasury bills and vouchers are being kept with Head Registry Assistant (HRA) and one ordinary register of bills was also available in HRA branch. However, no other subsidiary records/account was seen to be maintained.

3.10 Non-reconciliation of share of stamp duty

Rule 12.20 of Punjab Budget Manual, GoH provides that the reconciliation of departmental figures with the booked figures in the office of the Accountant General has two objects:

- (i) To ensure that the departmental accounts are sufficiently accurate to secure efficient departmental financial control; and

(ii) To ensure the accuracy of accounts maintained in the Accounts office from which the final published accounts are compiled.

Besides, Finance Department also issued (September 2002) budget reconciliation guidelines and provided that it is in the interest of the department to reconcile their receipts and expenditure with the Accountant General office to avoid excess expenditure and proper booking of Government expenditure in the accounts of Accountant General. The department is required to submit a monthly report to Finance Department on reconciliation of accounts.

During the audit of DULB, it was seen that the DULB, was the Budget Controlling Authority (BCA) for the purpose of payment of two *per cent* on sale of Non-judicial stamp paper to Municipal Corporations/Councils/committees for two schemes under head P-01-15-2217-80-191-96-51 for Municipal Corporations and P-01-15-2217-80-192-92-51 for Municipal Committees/ Councils. DULB was required to carry out the reconciliation in respect of aforesaid two schemes on monthly basis and report the same to the Finance Department (FD).

As given in Table 3.2 in paragraph 3.4.2, as per figures appear in the Appropriation Accounts for the respective years for the period 2016-17 to 2020-21, total ₹ 2,873.03 crore had been transferred to the Municipal Bodies as Municipal Levy. However, as per information provided by the DULB, total ₹ 3,143.93 crore had been transferred to Municipal Bodies as Municipal Levy during the same period.

It has been observed that required reconciliations were not carried out by the Department and no report thereof was submitted to the FD. Thus, in the absence of the reconciliation, the department could not assure itself for accuracy of Departmental figures.

3.11 Limitations in Audit by Director Local Audit Department

Director Local Audit Department is the primary auditor for Municipal Bodies required to certify the Financial Statement of the Municipal Bodies. As per information provided by the Local Audit Department (January 2022) that the Stamp Duty is the income of the Municipal Corporations/Councils/Committees. This duty is collected by Revenue Department and transferred to Local Bodies (Department). Local Audit checks the calculations and accounting of the duty into the relevant record and register. Further, it was also apprised that the record of reconciliation of stamp duty (MC share) is duly stamped & verified by the Revenue Authorities. No other record is within the purview of audit of Local Audit Department against which reconciliation of same could be done. It is seen that Director Local Audit Department has claimed mandate limitation in respect of assessment, receipt of collection and transfer of Municipal Levy. It is assessed in audit that it is incumbent on Director, Local Audit Department to

derive assurance in the matter in view of materiality involved. It is up to Director, Local Audit Department to determine methodology and could include seeking assurance from the Accounting Authorities, Finance Department, DULB, concerned Deputy Commissioners entrusted with the work of transfer of this levy and / or from Primary Auditors of the State Government. The change of procedure in transfer of this levy w.e.f. April 2012 was contrary to the provision of HMC Act and HM Act and resulted in denial of the amount due to Municipal Bodies and should have been an area to be highlighted by the Local Audit Department in its functions as a Primary Auditor of the Municipal Bodies.

3.12 Conclusion

It is seen that the outstanding Municipal Levy at the end of year due to Municipal Bodies ranged between ₹ 663.35 crore (at the end of March 2018) to ₹ 2,178.98 crore (at the end of March 2021) during 2016-17 to 2020-21. There were delays in transfer of funds to Municipal Bodies and deficiencies/absence of internal controls in the entire processes adopted by the various functionalities of State Government were observed.

The matter was discussed in exit conference (17 May 2022) held with the office of Additional Chief Secretary, Finance Department, Principal Secretary, Urban Local Bodies Department and Director, Urban Local Bodies Department. Department replied that action of various entities are being coordinated for examination and removal of inconsistencies.

Chapter-4

Subject Specific Compliance Audit of Implementation of Pradhan Mantri Kisan Samman Nidhi Scheme

CHAPTER 4

Agriculture and Farmers Welfare Department

4. Subject Specific Compliance Audit of Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme

Due to improper identification, non-verification and lapses in monitoring of PM-KISAN scheme, benefits amounting to ₹ 131.40 lakh were disbursed to State Government Pensioners. Besides, there were non-recovery of amount disbursed to Income Tax payees and ineligible beneficiaries, benefits extended to more than one family member, benefits extended to beneficiaries who do not own agriculture land, benefits extended to the deceased beneficiaries, non-receipt of administrative expenses amounting ₹ 420.38 lakh, benefits released to the beneficiaries pending for Physical Verification, non-setting up of Project Monitoring Unit and non-achieving of target of physical verification.

Preliminary details and audit strategy

4.1 Introduction

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme was launched in February 2019 and aims to provide income support and risk mitigation for farmers. Under this scheme, eligible farmers get income support for meeting expenses related to agriculture and allied activities, as well as for domestic needs.

PM-KISAN is a central sector scheme with 100 *per cent* Government of India (GoI) funding, operated under Direct Benefit Transfer (DBT) mode. Under the scheme, income support of ₹ 6,000 per annum is provided to all eligible farmers' families across the country with specified exclusions, in three equal instalments of ₹ 2,000 each every four months.

4.2 Financial Management

The financial benefit of ₹ 6,000 per year is to be released to the eligible farmers in three instalments of ₹ 2,000 each every four month / trimester, *i.e.* April-July, August-November and December-March. Payments received by ineligible farmers can either be refunded to the bank or through State Government. The State Government is required to delete such ineligible claimants/recipients from the database and stop future payments to them.

4.3 Audit Objectives and Criteria

Audit was conducted with the objectives to see whether efficient and effective system were put in place for identification and verification of beneficiaries,

financial management of the scheme including processing of payments to beneficiaries, DBT, refunds and their accounting and monitoring mechanisms for the scheme.

The audit criteria were derived from the Operational Guidelines of the scheme, Guidelines and Standard Operating Procedures (SOPs) on fund transfer, refund mechanism, reimbursement of expenses, *etc.* pertaining to the scheme, minutes of monitoring committee meetings at District, State and Apex level and Instructions / decisions of Project Monitoring Units (PMUs) set up at State and District level.

4.4 Audit Coverage

Seven districts¹, 14 blocks (two blocks from each selected district) and 84 villages (six villages from each selected block) were randomly selected out of 22 districts, 140 blocks and 7,356 villages. As on 31 March 2021, out of 19,41,706 beneficiaries, a total of 2,520 beneficiaries (30 beneficiaries from each selected village) were selected giving weightage to the percentage of population distribution in the State, in the categories of General, Scheduled Caste and Scheduled Tribe respectively.

4.5 Audit Findings on Identification and Verification of Beneficiaries

4.5.1 Irregular benefits disbursed to State Government Pensioners- ₹ 131.40 lakh

As per Paragraph 4.1 (b) iii of revised operational guidelines of the scheme ‘All serving or retired officers and employees of Central/ State Government Ministries/ Offices/ Departments and its field units Central or State Public Sector Enterprises (PSEs) and attached offices /Autonomous Institutions under Government as well as regular employees of the Local Bodies (excluding Multi-Tasking Staff / Class IV / Group D employees)’ and as per Paragraph 4.1 (b) iv All superannuated/retired pensioners whose monthly pension is ₹ 10,000 or more (excluding Multi-Tasking Staff/Class IV/Group D employees) shall not be eligible for benefit under the scheme.

During Audit, the data (May 2021) of online pension processing system (e-Pension) which is used for disbursement of pension benefits to the State pensioners was obtained from National Informatics Centre (NIC). The data related to first to seventh installments pertaining to the trimester of December 2020 to March 2021 of PM KISAN beneficiaries for which Fund Transfer Orders (FTOs) were signed and uploaded, had been downloaded and mapped with the data of e-Pension Portal taking Aadhaar number as unique attribute.

¹ Gurugram, Faridabad, Hisar, Bhiwani, Sirsa, Karnal and Panipat.

Out of the data of 1,53,393 pensioners, only 87,554 were marked with Aadhaar number. It was found that 1,251 beneficiaries of group C and above category employees were taking pension from State Government as well as the benefits of PM KISAN scheme. They had received 6,430 installments amounting to ₹ 128.60 lakh. It was also found that in 400 cases where category of employees was not mentioned, they had received 2,289 installments amounting to ₹ 45.78 lakh.

Further, the data of e-Pension Portal and the data of 86,699 pensioners gathered from Centralised Pension Processing Cell (CPPC) of State Bank of India were also mapped with the data of PM KISAN, taking bank account number as unique attribute. It was found that there were 1,895 common account numbers in which pension and benefits of ₹ 211.02 lakh was credited in 10,551 installments. The category of employees in these cases was not mentioned.

It was also observed that out of 2,520 selected beneficiaries 25 beneficiaries were identified as Pensioners/Government employee/Spouse in Government job/Professionals, etc. and received benefits amounting to ₹ 2.80 lakh under the scheme.

Paragraph 4.2 of revised operational guidelines of the scheme states that for the purpose of exclusion State/UT Government can certify the eligibility of the beneficiary based on self-declaration by the beneficiaries. In case of incorrect self-declaration, beneficiary shall be liable for recovery of transferred financial benefit and other penal actions as per law. Therefore, the process of recovery of ₹ 131.40 lakh (₹ 128.60 lakh + ₹ 2.80 lakh) as per the provision of revised operational guidelines may be initiated against the 1,276 (1,251 + 25) beneficiaries belonging to group C and above category employees/ other ineligible beneficiaries after detailed verification. Further, the self-declaration regarding eligibility of the 2,295 (400+1,895) beneficiaries may be verified as they are confirmed pensioners and received an amount of ₹ 256.80 lakh as benefits of the scheme.

In reply, the Department stated (15 December 2021) that the process of re-verification of 3,571 (1,251+400+1,895+25) beneficiaries pointed out by audit has been initiated and 1,857 beneficiaries have been verified and made inactive on the portal. The recovery process of these beneficiaries has been initiated, whereas re-verification of 1,714 beneficiaries is under process.

4.5.2 Non-recovery of amount disbursed to Income Tax payees and ineligible beneficiaries- ₹ 40.65 crore

As per the office memorandum issued by the GoI vide F.No.1-6/2019-FWS dated 2 June 2020 on the subject “Standard Operating Procedure (SOP) for refund of money, which has been credited to incorrect / ineligible beneficiaries

under PM-KISAN Scheme” if the wrong / ineligible recipient is identified by the State Government, the State Government will recover the money from that individual and give an acknowledgement to the individual thereof.

Further, as per Paragraph 4.1 (b) v of revised operational guidelines of the scheme all persons who paid Income Tax in last assessment year shall not be eligible for benefits under the scheme.

From the data extracted from the PM KISAN portal as on 1 June 2021, it was noticed that 3,131 ineligible farmers had received 16,802 installments @ of ₹ 2,000 amounting to ₹ 336.04 lakh. Out of these ineligible beneficiaries, only 51 farmers had refunded 207 installments amounting to ₹ 4.14 lakh. Similarly, 38,109 income tax payees covered under this scheme had received 1,86,677 installments @ of ₹ 2000/- amounting to ₹ 3,733.54 lakh. Out of which only four farmers had refunded 23 installments amounting to ₹ 0.46 lakh. Thus, an amount of ₹ 4,069.58 lakh has been released to ineligible and income tax payees out of which only ₹ 4.60 lakh has been recovered and an amount of ₹ 4,065.00 lakh is yet to be recovered (May 2021).

In reply, the Department stated (15 December 2021) that ₹ 23.94 lakh has been recovered from 246 ineligible beneficiaries and ₹ 138.02 lakh has been recovered from 1,455 income tax payee beneficiaries. The efforts are being made to recover the remaining amount from remaining ineligible / income tax payee beneficiaries through banks as suggested by Government of India.

4.5.3 Benefits extended to more than one family member- ₹ 4.48 lakh

As per Paragraph 3 of revised guidelines of the scheme a landholder farmer’s family is defined as “a family comprising of husband, wife and minor children who own cultivable land as per land records of the concerned State/UT”.

The ‘Aadhaar Number’ of beneficiaries as well as his/her spouse and minor children is required as per the field of the application form to ascertain the definition of family criteria and ensuring that only one member is eligible for the scheme.

Out of 2,520 selected beneficiaries, 39 beneficiaries were taking benefits amounting to ₹ 4.48 lakh² of the scheme along-with their spouse/minor children. Further, 651 beneficiaries had not mentioned the ‘Aadhaar Number’ of their spouse/minor children. Therefore, the above mentioned 39 families should be verified again and the Aadhaar number of 651 beneficiaries’ spouse / minor children should be collected to ascertain the eligibility for the scheme.

² Amount has been calculated taking minimum payment received between husband, wife & minor children.

In reply, the Department stated (15 December 2021) that the benefit of 38 beneficiaries has been stopped/made inactive/freezeed and the recovery process has been started after re-verification. In one case the re-verification is under process.

Further, out of 651 beneficiaries, the Aadhaar numbers of 354 beneficiaries have been mentioned and the application forms have been updated. In case of remaining 297 beneficiaries, the process of re-verification is under process.

4.5.4 Benefits extended to beneficiaries who do not own agriculture land- ₹ 2.82 lakh

The scheme was started with a view to provide income support to all landholding farmers' families in the country, having cultivable land. The existing land-ownership system was used for identification of beneficiaries for calculation of benefit.

During the scrutiny of 2,053 application forms out of 2,520 selected beneficiaries provided to audit, it was noticed that the details of land record (Khwat No., Khasra No. etc) on 18 application forms were not mentioned and in 42 forms there were incorrect entries. However, these beneficiaries were also receiving benefits under the scheme. Land record mentioned in the remaining 1,993 application forms of the beneficiaries have been verified by the Jamabandi and it was noticed that the 19 beneficiaries did not own agricultural land and received an amount of ₹ 2.82 lakh under the scheme. These beneficiaries either owned residential/*gair-mumkin* land or were landless.

In reply (15 December 2021), the Department stated that out of 18 beneficiaries, nine were found eligible and three beneficiaries are under process of verification. Six beneficiaries found ineligible and made inactive; the recovery process has been started.

Out of 42 application forms, 31 beneficiaries were found eligible and two beneficiaries are under process of verification. Nine beneficiaries found ineligible and made inactive; the recovery process has been started.

Out of 19 beneficiaries, two beneficiaries are under process of verification and 17 beneficiaries were found ineligible and made inactive; the recovery process has been started.

Recommendation: The database of ineligible beneficiaries should be made inactive on portal and responsibility should be fixed for irregular payment made to ineligible beneficiaries.

4.5.5 Delay in disbursal of benefits

As per the guidelines of the scheme, income support of ₹ 6,000/- per annum is provided to all eligible farmers' families in three equal instalments or ₹ 2,000/- in every four months. During the audit, 103 beneficiaries were identified whose benefits were released with a delay of four to 32 months. Reasons for delayed disbursal of benefits were not made available.

In reply, the Department stated (15 December 2021) that the delay was due to mismatch of their PFMS data. Efforts have been made by the field staff to get the issue resolved, but due to slow response of the beneficiaries, such delays occur. Further, more vigorous efforts will be made to avoid such type of delay in future.

4.5.6 Benefits extended to the deceased beneficiaries

Out of 2,520 selected beneficiaries, 66 deceased beneficiaries were identified. The status of all deceased beneficiaries was active. The Department had not taken any initiative to extend the benefits to the successor of the deceased beneficiary as per Paragraph 5.2 of the revised guidelines.

Neither the Department devised any mechanism to identify these deceased beneficiaries nor the guidelines of the scheme stated in this regard.

It was also observed that benefit of ₹ 0.06 lakh was released in August 2021 to three deceased beneficiaries (two in Gurugram³ and one in Faridabad⁴) even after the issue was pointed out by audit on 9 July 2021 in Gurugram and 22 July 2021 in Faridabad.

In reply (15 December 2021), the Department stated that out of 79 deceased beneficiaries pointed out by Audit, 13 have been found alive and eligible, however benefit of remaining 66 beneficiaries has been stopped. Efforts for recovery/refund have also been initiated.

4.5.7 Deprivation of benefits due to pendency of Aadhaar correction

As per Paragraph 10.2 of revised operational guidelines of the scheme, Aadhaar number shall be collected from all beneficiaries and payment of all instalments pertaining to trimester August to December 2019 onwards shall be done only on the basis of Aadhaar seeded database.

Audit observed that 24,516 cases (17 June 2021) are still pending for Aadhaar correction and were unable to receive benefits under the scheme. Office of the Director General has directed several times for the correction in pending Aadhaar cases to the field functionaries but no significant steps were taken till now.

³ Unique No.- HR126870308 & HR256283180.

⁴ Unique No.- HR116394261.

In reply (15 December 2021), the Department stated that the efforts have been made by the field staff, 4,498 Aadhaar corrections have been made from 17 June 2021 to 10 December 2021. The correction in remaining cases is still pending due to lackadaisical response of beneficiaries. All the field officers have also been directed to accomplish the task by contacting such beneficiaries on top priority.

4.5.8 Improper execution of the scheme resulted in deprivation of benefits to the beneficiaries

As per guidelines, the self-registration functionality had been introduced on the portal in order to encourage left-out farmers to register themselves under the PM KISAN scheme but the registration process will be successfully completed only after the approval of the State.

Audit observed that as on 31 May 2021 there were 5,51,094 farmers who got self-registered on the PM KISAN portal for availing the benefits of the scheme. Out of this, registration of 3,02,156 farmers was accepted, registration of 63,771 farmers was rejected and registration of 1,85,167 farmers is still pending for verification which is 34 *per cent* of total self-registered farmers. It was further observed that there are six districts (Ambala, Faridabad, Jhajjar, Panchkula, Panipat and Rewari) where pendency is nearly 50 *per cent*. This pending registration has neither been rejected nor accepted by the functionaries of the Department.

The PM-KISAN scheme is an important flagship scheme of the GoI for the benefit of farmers which requires constant monitoring to ensure timely preparation/correction of accurate beneficiary list for transfer of benefits into the account of beneficiaries. The Government of India has released eighth installment of the scheme in the month of May 2021. As such, 1,85,167 beneficiaries were still deprived of the benefits of the scheme.

In reply (15 December 2021), the Department stated that the pending verification of self-registered farmers was due to non-verification of the land records by the Land Revenue Department. The GoI also instructed (January 2021) to stop the process of approval of Self/CSC registered farmers due to instances of fraud in some States. The GoI has now opened (October 2021) the module of Self/CSC registered farmers and field staff has been instructed to take action accordingly.

4.5.9 Non-conducting of social audit for identification of ineligible beneficiaries

The Director General, Agriculture and Farmers Welfare Department (A&FWR), Haryana, Panchkula issued instructions on 3 March 2021 to the

Deputy Directors regarding need for social audit of the beneficiaries under the scheme as directed by GoI in a meeting held on 19 January 2021. For this purpose it was mandatory that the list of eligible beneficiaries would be published at public places at the village / ward level. This was assessed to help in weeding out ineligible beneficiaries through the social audit.

All Deputy Directors were required to publish the list of eligible beneficiaries of the scheme at village/ward level. It was also required to be verified from the Sarpanch at village level and Patwari/Counselor at ward level that the list is published. This was required to be completed before 10 February 2021.

Audit observed that not even one district had submitted the report on social audit conducted at village / ward level. The Department was unable to provide the status and outcome of social audit. As per information available on the portal, there are 3,131 ineligible beneficiaries in the State of Haryana who have received the benefits under the scheme, out of which 1,222 beneficiaries have received the benefits upto seventh installment released during December 2020 to March 2021.

In reply, the Department stated (15 December 2021) that initially Social Audit was being conducted by the field offices but the reports were not compiled. Now, the field offices have compiled the Social Audit Reports and supplied to this office. It has been noticed that 20,204 beneficiaries were found ineligible/deceased and their accounts have been made inactive.

4.6. Fund Management

4.6.1 Non-receipt of administrative expenses- ₹ 420.38 lakh

As per Paragraph 8 of revised Operational Guidelines of the scheme, a Project Monitoring Unit (PMU) at Central level will be set up in the Department of Agriculture, Cooperation & Farmers' Welfare (DAC&FW) in the form of a Society registered under the Societies Registration Act, 1860. This PMU shall be tasked with the responsibility of overall monitoring of the scheme and shall be headed by a Chief Executive Officer (CEO). PMU shall also undertake publicity campaign (Information, Education and Communication-IEC). On the lines of PMU at central level, States / UTs may consider setting up dedicated PMUs at State / UT Level. 0.125 *per cent* for the amount of installments transferred to beneficiaries can be transferred by Central Government to State / UT Government to cover the expenditure on their PMUs, if established and for meeting other related administrative expenses including cost to be incurred for procurement of stationery, field verification, filling of prescribed formats, their certification and its uploading as well as incentive for field functionaries, publicity, *etc.* States/UTs will furnish the details of the account to which

Administrative Charges are credited by the Central Government. The administrative charges payable to the States/ UTs will be provided by GoI based on the volume of work and the number of beneficiaries.

Audit observed that the Department has received (15 June 2021) only ₹ 70.50 lakh against total administrative expenses of ₹ 420.38 lakh due upto 10th installment. Analysis of records revealed that the Department had claimed administrative expenses many times from the Joint Secretary and CEO-PM KISAN but the same was not released due to not uploading the Utilisation Certificate (UC) through Expenditure Advance Transfer (EAT) module of Public Financial Management System (PFMS) upto 31st March 2022.

In reply, the Department stated (15 December 2021) that as per the direction of GoI, the task to upload the released funds on PFMS and submission of UC is carried on by the Department.

4.6.2 Deprivation of benefits due to PFMS rejection

As per the Paragraph 10.4 of the revised operational guidelines, the amount due to the beneficiaries under the scheme, is to be paid directly into their bank account through the mechanism of DBT. The amount will flow to the account of the beneficiaries, held in destination banks, through the accredited bank of Department and sponsoring bank of the State/UT, using PFMS portal. Correctness of beneficiary details, speedy reconciliation in case of wrong/incomplete bank details of the beneficiary is to be ensured by State Governments for timely payment into the beneficiary account.

Audit observed that 26,464 beneficiaries (19 October 2021) were deprived of benefits due to PFMS rejection. The PFMS rejection occurs due to error in the Bank Account No., IFSC and Type of Bank Account of the beneficiaries. In this regard, several letters were issued to the field functionaries for correction of banking details of the beneficiaries but 26,464 cases of PFMS rejection were still pending for correction. The correctness of beneficiaries data is the responsibility of the State Government. Thus, non-compliance of the provision of the guidelines of the scheme resulted into deprivation of benefits to 26,464 beneficiaries.

Further, out of 2,520 sampled beneficiaries, 45 beneficiaries were not receiving benefits due to pending PFMS verification.

In reply (15 December 2021), the Department stated that the efforts have been made by the field staff, 5,184 PFMS data corrections have been made as on 10 December 2021. The correction in remaining cases is still pending due slow response of beneficiaries. All the field officers have also been directed to accomplish the task by contacting such beneficiaries on top priority.

4.6.3 Benefits released to the beneficiaries pending for Physical Verification- ₹ 8.84 lakh

As per the SOP issued on 17 September 2020 for annual physical verification (PV) of beneficiaries of the scheme, the States/UTs were required to complete the process of physical verification within two months from the date of issue of the circular. Non-verification of the beneficiaries by State/UTs in the list of beneficiaries provided for PV lead to non-payment in future lots.

The status report of PV (6 October 2021) stated that there were 82,005 and 1,58,232 beneficiaries selected randomly for PV during 2020-21 and 2021-22 respectively. During 2020-21, 70,413 beneficiaries were verified out of 82,005 and 3,223 beneficiaries were found ineligible/expired which is 4.58 *per cent* of the verified beneficiaries. Similarly, during 2021-22, 29,040 beneficiaries were verified out of 1,58,232 and 629 beneficiaries were found ineligible/expired which is 2.17 *per cent* of the verified beneficiaries.

Audit observed that in selected sample, 190 beneficiaries were shortlisted for PV out of which 21 beneficiaries belonging to the year 2020-21 received benefits of ₹ 2.12 lakh and 169 beneficiaries belonging to the year 2021-22 received benefits of ₹ 6.72 lakh which was against the provision of SOP. As the ineligibility/expired percentage for the year 2020-21 and 2021-22 is 4.58 *per cent* and 2.17 *per cent* respectively, therefore, it cannot be denied that the ineligible/expired beneficiaries have received benefits after getting notified in the PV list.

In reply, the Department stated (15 December 2021) that the benefits of the above mentioned 190 beneficiaries (selected for sample during audit) have been stopped but the Department did not take action on the beneficiaries pending for physical verification apart from the selected sample.

4.7. Audit Findings on Monitoring and Evaluation

4.7.1 Non-setting up of Project Monitoring Unit (PMU)

As per Paragraph 8 of revised Operational Guidelines of the scheme, a PMU at Central level will be set up in DAC&FW in the form of a Society registered under the Societies Registration Act, 1860. This PMU shall be tasked with the responsibility of overall monitoring of the scheme and shall be headed by a Chief Executive Officer (CEO). PMU shall also undertake publicity campaign (Information, Education and Communication-IEC). On the lines of PMU at central level, States/UTs may consider setting up dedicated Project Monitoring Units at State/UT Level. 0.125 *per cent* from the amount of installments transferred to beneficiaries can be transferred by Central Government to State/UT Government to cover the expenditure on their PMUs, if established

and for meeting other related administrative expenses including cost to be incurred for procurement of stationery, field verification, filling of prescribed formats, their certification and its uploading as well as incentive for field functionaries, publicity, etc.

Audit observed that the Department has not set up a dedicated PMU for overall monitoring of the scheme as on 16 June 2021. The work of PM KISAN at the time of launching of the scheme had been assigned to the PMU which was established in the month of January 2019 for IT related works in the Department. The employees working in PMU of the Department are IT professionals dealing with various schemes and services related to farmers. Due to over burden of work on the PMU, monitoring on the work of PM KISAN was overlooked which resulted in the pendency of work such as pending verification of self-registered farmers, non-recovery from income tax payee and ineligible farmers, non-receipt of administrative expenses, pendency in disposal of grievances, pendency of Physical Verification of the beneficiaries, non-saturation of PM KISAN beneficiaries with Kisan Credit Cards and beneficiaries pending for correction. Had the Department set up a dedicated PMU for PM KISAN then the above mentioned lapses could have been fixed easily.

In reply (15 December 2021), the Department stated that the dedicated PMU has been set up in the month of October 2021.

4.7.2 Non-achieving of target of physical verification

As per Paragraph 10.5 of revised Operational Guidelines of the scheme, “Efforts by the State Government should be undertaken to ensure checking for around five *per cent* of the beneficiary for the eligibility during the year”. Further, SOP for annual five *per cent* physical verification had been issued by GoI on 17 September 2020.

Audit observed that the Directorate office has issued several reminders in this regard to the field offices but the same was not completed yet for the year 2020-21. As the total 82,005 beneficiaries were randomly selected and provided to the Department by the GoI, as on 10 June 2021, verification of 65,470 beneficiaries have been completed out of which 2,390 beneficiaries were ineligible. No action taken report has been submitted by the field offices in this regard. 16,535 beneficiaries are still pending for verification. Analysis of data revealed that out of 22 districts, only eight districts have completed the mandatory five *per cent* physical verification of the registered beneficiaries. However, office of DDA, Rohtak has verified only one beneficiary out of 3,832 beneficiaries. Huge pendency was also noticed in the offices of DDA, Ambala, Bhiwani, Sirsa and Sonapat. The Government of India has also provided the list of selected beneficiaries for physical verification for the year 2021-22 but the same was not

initiated by the field functionaries of the Department. If the Department had implemented the provision (five *per cent* physical verification) of revised guidelines of the scheme, then ineligible beneficiaries could have been traced earlier.

In reply, the Department admitted (15 December 2021) the delay in completion of target of physical verification and stated that the process will be completed shortly.

4.7.3 Non-developing a system to obtain feedback from the stakeholders

The feedback of the stakeholders is helpful in improving the services and evaluation of the scheme. Audit observed that the Department had not developed any system during the implementation of the scheme to obtain the feedback from the stakeholders of the scheme *i.e.* beneficiaries, banks and Land Records Department.

In reply (15 December 2021), the Department admitted the point and stated that GoI is being requested to insert a link on the PM Kisan portal for feedback of stakeholders.

4.8 Recommendations

In light of audit findings, the Department may consider:

- Physical verification should be conducted regularly and timely for weeding out the ineligible beneficiaries;
- Mechanism should be developed to identify the deceased beneficiaries;
- Aadhaar number of spouse / minor children should be captured in the database for identification of more than one beneficiary in the family; and
- Grievances may be taken up in a timely and graded manner.

In reply (15 December 2021), the Department admitted all the recommendations.

Chapter-5

Compliance Audit Observations

CHAPTER 5

Compliance Audit Observations

Public Health Engineering Department

5.1 Embezzlement of ₹ 2.76 crore

Due to system deficiencies in e-Salary IT application of Haryana Government and negligence on the part of Treasury Office, the officials of Public Health Engineering Division, Charkhi Dadri manipulated the Unique Codes of payee employees and embezzled ₹ 2.76 crore.

Government of Haryana (GoH) introduced (August 2011) the concept of e-Salary in all the Government Departments to reduce the burden of preparing salary bills on monthly basis by Drawing and Disbursing Officers (DDOs) and also for improving the efficiency of treasury operations. A unique code of six characters called Unique Code of Payee (UCP) is given to each employee for transfer of his/her salary and other dues to his/her concerned bank. Further as per the instructions (24 January 2012), allotment of UCP was made online. Drawing and Disbursing Officers (DDO) can use e-Salary module to allot UCP to any payee. On the e-Salary portal, there is an employee login facility which can be accessed with the UCP as user name and same as password. The employee has three options to edit profile, change password and lock-unlock UCP. Using the lock-unlock UCP, an employee may lock his unique code and in future if anybody wants to change his details in UCP, he has to first request the user to unlock his unique code, until then his detail will be un-editable.

A two way authentication system is being used for passing the bills in which the dealing clerk is called the 'Maker' who obtains the sanction from the DDO. The DDO is called the 'Checker' who in turn satisfies himself regarding the details on the sanction for making the online payment to the employee of particular unique code.

During test check (September 2021) of the selected treasury vouchers relating to Public Health Engineering Division, Charkhi Dadri, it was noticed that instead of processing benefits to the retirees through e-Salary module, the Clerk made manual file and got the sanction of DDO for payment. These sanctions were uploaded on the e-Salary IT application by the dealing clerk which were then checked by the checker *i.e* the DDO. It was sent online to the treasury for the payment. The Treasury Officer generated Electronic Payment System (EPS) and the dealing clerk got the digital signatures of the DDO on the EPS and forwarded the same to the

concerned bank for releasing the payment to the payees.

Test check of treasury vouchers relating to the period from November 2020 to August 2021, in the office of Principal Accountant General (Audit) revealed that in five cases, more than one payment of leave encashment of retired employees and in one case payment of General Provident Fund was made in the multiple accounts. It was observed that these payments were made in two unauthorised accounts and suspected embezzlement of ₹ 54.27 lakh occurred due to the following systemic deficiencies:-

1. Despite the online system for payment, the approval for any payment to the retiree and the sanction there against continues to be processed physically due to which it became possible to upload single/multiple sanctions for a single payment of leave encashment of a retiree.
2. The account numbers were changed without any formal request from the beneficiary. Further, in the case of death, process of removing the name of deceased, and generation of new unique code for the legal heirs of the deceased for all the dues was not done in this case and was manipulated by changing bank account numbers.
3. The DDO was responsible to the extent of giving false endorsement on the pay orders that the bank account, the amount and details of persons mentioned were correct. The bills got passed from the Treasury Office without vigilant checking.
4. Moreover, there was a systemic deficiency in the IT application too as the application allowed the use of more than one UCP for one bank account number and one bank account number for more than one UCPs.
5. It was also observed that the maker and checker are the only two persons who manipulated establishment related bills such as salary bills, medical bills, GPF final payment bills, GPF non-refundable advance *etc.* Thus, there was a weakness of internal controls/breakdown of internal controls at the level of Divisional formation and Treasury.

On being pointed out by audit (September 2021), an inquiry was conducted (November 2021) by the inquiry team constituted by the Finance Department in this regard. It was established that the clerk made a total 81 transactions during February 2021 to September 2021 in two bank accounts of his relatives amounting to ₹ 2.76 crore by changing/replacing the bank account numbers with his relatives' account numbers against

UCPs of serving and retired Government employees. The inquiry report also highlighted the following procedural lapses which led to fraudulent payments at the level of Executive Engineer, PHED, Charkhi Dadri.

- The clerk was having the ID and password of Maker and Checker of e-salary portal. The user IDs and passwords of HRMS, e-billing as well as digital signatures of DDO (through dongle) were being used by the delinquent official *i.e.* clerk of Public Health Division. Since both the user IDs and passwords were being used by the single person, the delinquent official replaced the bank accounts of the beneficiaries with his relatives' accounts. The same delinquent person was assigned with the duty of messenger to the Treasury and preparation of salary and other establishment bills.
- The DDO allowed to use his digital signature by the clerk which led to altering the data in UCPs of employees.
- The Treasury Office also failed to check the sanction, arrear certificate, due and drawn statement in some of the salary arrears and leave encashment arrears bills.
- Other procedural lapses were that no bill register was maintained for making entry of bills generated in office, no token register was maintained for handing over bills to treasury and no office copy of bills was maintained in the office. Also, no cash book was being maintained.

Thus due to system deficiencies in e-Salary IT applications, failure of DDO in performing his duties and negligence on the part of Treasury office, the officials of Public Health Engineering Division, Charkhi Dadri manipulated the unique codes of payee employees and embezzled ₹ 2.76 crore.

During exit conference (29 April 2022), Additional Chief Secretary to Government of Haryana, Public Health Engineering Department (ACS) stated that the matter has been referred to vigilance and efforts are being made to recover the amount. In addition, two officers have also been charge sheeted in this regard. The ACS further stated that recommendations to improve the system/e-salary application have also been referred to the Finance Department and the decision in this regard is still awaited.

5.2 Stock and Inventory Management

There was deviation from prescribed accounting procedure for Stock transactions. No provision was made for accounting classification for Stock Suspense which led to booking of expenditure to works without commencement of work or closed works. User manual of online Inventory Management System (IMS) was not updated. Physical verification of stores was not conducted as per codal provisions. Unutilised inventory was lying in the store since long and actual quantity of unserviceable/scrap items could not be ascertained. The obsolete or unserviceable items were not disposed off.

5.2.1 Introduction

Public Health Engineering Department (PHED) is entrusted with the function of providing safe drinking water in rural and urban areas and efficient sewerage system in urban areas. The PHED centrally procures stock items such as pipes, fittings, bleaching powder, poly aluminum chloride (PAC), etc. The Material Management (MM) wing at the office of Engineer-in-Chief is responsible for consolidating the requirements raised by divisional formations and to indent the consolidated requirement to the Director General, Supplies and Disposals (DGS&D) for arranging it on annual rate contract. The supply orders are placed by the MM wing against the annual rate contracts and the stock items are delivered by the suppliers to the divisional formations at their location as per supply order. There are 38 stores (as of December 2021) throughout the State, each headed by an Executive Engineer (EE). As on 7 December 2021 the Department had total stock inventory of ₹ 233.49 crore (out of which ₹ 34.03 crore was under the Suspense Head).

5.2.2 Prescribed accounting procedure for stock transactions

The Central Government, in consultation with Comptroller and Auditor General of India (CAG) under Article 150 of the Constitution of India, has prescribed Uniform Accounting Principles for Central and State Government. These, amongst others, include Government Accounting Rules, 1990 (GAR) and List of Major and Minor Head of Accounts (LMMH). As per principles, the transactions related to receipt of material (stock) by works departments, issue to work, return from work to store and inter unit transfer within an accounting unit involve the following steps:

- (i) Procurement and classification of the procured material as an asset through a debit entry under sub head Stock under minor head Suspense of respective Revenue/ Capital Major Head as per LMMH. This classification of stock under suspense cumulatively is identified as Stock Suspense.

- (ii) The Stock Suspense is credited and the account of concerned work is debited on transfer of material to work.
- (iii) A material at site (MAS) register is maintained for watching receipt, storage and utilisation of this material during execution of works.
- (iv) Surplus material is returned to store by crediting the accounting classification of concerned work and debiting the Stock Suspense.

Procurement of material under Stock-Suspense requires provision of budget under such an accounting classification.

5.2.3 Irregularities noticed in PHED Divisions due to deviations from prescribed accounting procedure

From the financial year 2015-16, the State Government discontinued making budgetary allocation under Stock-Suspense to the PHED. In the absence of budget under Stock-Suspense the purchase of stock was classified directly under accounting classifications of works. Besides, the PHED implemented e-Billing system (a module) of IT application Integrated Financial Management System (IFMS) w.e.f. July 2014. In the e-Billing system the Department had not made any provision for accounting classification relating to Stock-Suspense. Resultantly, prescribed accounting procedure for stock transactions became defunct. The PHED had not devised an alternate accounting procedure for stock transactions. By booking the expenditure of procurement of material directly under accounting classifications of works, the shortcomings such as reflection of stock as utilised on work without actual utilisation, stock remaining unutilised on works for prolonged period, reflecting no transactions in book of accounts in transfer of stock to other works, *etc.* were noticed.

The utilisation of stock was examined in Audit during the compliance audit of four¹ PHE Divisions alongwith office of EIC, PHED, Haryana from October 2019 to December 2019. Other five² Divisions were also test checked in the month of January 2021. The following was seen in audit:

5.2.3.1 Procurement of pipes and booking the expenditure to works without commencement of works

It was seen that in two works under Mahagram Yojana, Ductile Iron (DI) Pipes worth ₹ 3.06 crore was purchased and booked to works without actual commencement of works as shown in **Table 5.2.1** below:

¹ (i) Sirsa No. 2, (ii) Sohna, (iii) Sonapat No. 2 and (iv) Tosham.

² (i) Ambala Cantt, (ii) Kaithal No.1, (iii) Kurukshetra, (iv) Naraingarh and (v) Yamunanagar No. 2.

Table 5.2.1: Booking of expenditure to works without actual commencement of works

Sr. No	Division and Name of work	Estimate amount (₹ in lakh)	Date of booking of pipes on work	Pipes issued/ not issued	Value of pipes booked (₹ in lakh)	Status of work as on January 2021
1	Sohna: Augmentation of water supply scheme District Gurugram (under Mahagram Yojana)	917.60 (April 2017)	November 2018	Not issued till date (March 2022)	156.98	Work was not allotted to the contractor
2	Naraingarh: Augmentation water supply scheme Bilaspur (under Mahagram Yojana)	567.51 (January 2019)	March 2020	1,520 mtr. out of 9,380 mtr. pipes were issued to the contractor	149.36	Work was allotted to the contractor in August 2021.
Total					306.34	

Thus, due to non-maintenance of Stock-Suspense, the purchase of pipes was directly booked to the works. Due to shortcomings in the Accounting Management Software and e-Billing module of IFMS, the Department was unable to utilise these pipes on other works which were physically lying in stock till date.

5.2.3.2 Non-utilisation of pipes

It was seen that 6,112.45 meters of DI Pipes of different sizes amounting to ₹ 1.84 crore were lying unutilised since May 2014 to February 2018 as given in **Table 5.2.2** below:

Table 5.2.2: Quantity and value of pipes remained unutilised in four Divisions

Name of Division	Quantity of pipes (in mtr.)	Amount (₹ in lakh)
PHED, Tosham	589.55	26.79
PHED No.2, Sirsa	500.00	36.43
PHED, Ambala Cantt.	3,708.90	93.45
PHED No. 1, Kaithal	1,314.00	27.27
Total	6,112.45	183.94

Analysis of store bin cards revealed that these pipes were purchased for various water supply and sewerage projects. These pipes were surplus but could not be transferred to other works/divisions due to shortcomings in the Accounting Management Software and e-Billing module of IFMS and funds to the tune of ₹ 1.84 crore remained blocked.

5.2.3.3 Pipes remained booked to closed works

It was seen that 28,465.50 meters of DI Pipes of different sizes with a cost of ₹ 2.68 crore were lying in five Divisions since the periods varying between March 2011 and January 2021 despite the fact that works to which these pipes were booked had already been finalised. However, pipes could not be transferred to other works. The details are given in **Table 5.2.3** below:

Table 5.2.3: Quantity and value of pipes remained booked on closed works

Sr. No	Name of Divisions	DI Pipes unused (in meters)	Cost of unused pipes (₹ in lakh)	Number of closed works to which the pipes relate	Lying unutilised as of January 2022	
					From	To
1	Tosham	4,615.00	47.66	11	March 2013	August 2018
2	Sonipat No. 2	20,431.50	185.44	21	March 2011	August 2016
3	Kaithal No.1	856.00	12.67	1	May 2018	-
4	Naraingarh	1,233.00	11.75	1	February 2020	January 2021
5	Yamunanagar No 2	1,330.00	10.09	2	September 2016	-
Total		28,465.50	267.61			

5.2.3.4 Delay in commencement of work due to non-availability of pipes

On one hand surplus stock was lying with the Divisions booked to completed works, surplus stock, etc., some works could not be started in time due to non-availability of pipes. It was seen that in two works, there was delay ranging between 12 months and 30 months due to non-availability of DI pipes in the store of Division No. 2, Sonapat as detailed in **Table 5.2.4** below:

Table 5.2.4: Details of works delayed due to non-availability of pipes

Name of work	Date of initial start of work and target date of completion of work	Date of receipt of pipes	Value of pipes booked (₹ in lakh)	Delay in starting the work
Providing Storm Water Drainage System at Ganaur town- laying of 726 meter 900 mm internal diameter DI pipeline rising main and construction of 25 Hodies	29 January 2016 to be completed by 28 July 2016	July 2018	131.19 ³	30 months
Providing Balance Distribution pipeline in Various villages under Rai Constituency	21 May 2018 to be completed by 20 November 2018	March and May 2019	112.89	12 months

Due to non-availability of pipes in reserve stock under Stock Suspense the works could not be started. The work of providing storm water drain was awarded to another contractor in October 2020 by re-inviting the tenders due to failure of department in providing him pipes during the contract period.

Thus, lack of provision for accounting classification relating to Stock Suspense in the e-Billing system of IFMS and by not devising an alternate accounting procedure for stock transactions there was huge imbalance in availability and utilisation of DI pipes in the PHED as pipes were lying unutilised against the works which were not started and pipes were booked to works before actual commencement of work. Whereas in some cases, pipes were not made available even after allotment of the work. A huge quantity of pipes remained unutilised on closed works.

The EIC stated (February 2022) that action is being taken by the Department to create provision of ₹ 300 crore under Suspense Head for State and Central Head for procurement of DI pipes in the next financial year and to modify Accounting

³ Total expenditure incurred ₹ 4.59 crore (₹ 3.28 crore on railway permission and ₹ 1.31 crore on purchase of pipe.

Management System module accordingly to utilise budget under Stock Suspense Head.

5.2.4 Online Inventory Management System (IMS)

The department introduced (September 2008) an online IMS developed in-house for real time status of inventory. Its main features are to provide the platform for recording transactions from placement of Supply Order to receipt of material and issue thereof to the field offices and thereafter by the field offices to individual work. It also generates various reports on receipt and issue of stock, inventory holdings, cost of inventory, details of scrap and obsolete items.

Similarly, Accounting Management System (AMS) was also developed in-house for accounting related functions of the PHED. Its main features are online maintenance of cash book, preparation of monthly account of Divisions, preparation and passing of work bills, demand of Letter of Credit (LOC) and its utilisation, etc. Both IMS and AMS are integrated with each other. As and when the material is issued and the gate pass is generated, the expenditure booked on IMS is shifted to AMS on the concerned work and is reflected in the PWA Forms for accounting of transactions. Besides, e-Billing involving generation of payment details in Electronic Payment System (EPS) by the divisional formation and incorporation of transactions in the cash book.

The e-Billing and AMS fall short of the prescribed accounting process as transactions through stock suspense are not enabled due to limitation of the system design. The irregularities noticed in respect of Online IMS are as follow:

5.2.4.1 Non-updation of User Manual of online IMS

The user manual is a task based document which explains procedure, usage and hierarchy of functions of a software application and requires to be kept updated to achieve desired objectives without hampering performance. On requirement of management and field offices, several amendments have been made in the IMS since its inception (September 2008) but its user manual was not updated after January 2013.

5.2.4.2 Non-provisioning of age-wise inventory reports

It was noticed in nine divisions that there was no provision of generation of age wise report of material in IMS. On the basis of the report generated during October 2019 to December 2019 and January 2021, 302 items amounting to ₹ 5.21 crore (as per issue rate) were not issued during a period of last five to 17 years. This led to non-categorisation of inventory in slow-moving and non-moving items and monitoring of age of inventory could not be ensured. Non-utilisation of inventory since a long period not only led to risk of obsolescence of the inventory but its deterioration also.

5.2.4.3 Variation in quantity of manual Bin Card vis-a-vis online IMS

During the reconciliation of manual and online inventory, it was seen that 54⁴ Bin Cards were not uploaded on online IMS having stock valuing ₹ 3.30 lakh. Thus, there were differences in the quantities shown in Bin Cards and corresponding quantity of the same item in the online inventory.

The EIC stated (February 2022) that user manual of IMS module is being updated, action is being taken to make provision to generate reports of age-wise inventory of available stock. It was also stated that instructions are being issued for uploading all bin cards on the IMS to reconcile the quantity between IMS and actual availability of stock.

5.2.5 Other Irregularities in stock management

5.2.5.1 Improper method of Physical Verification (PV) and non-preparation of PV Reports

As per Para 15.16 of Punjab Financial Rules (PFR) as applicable to the State of Haryana, Physical Verification (PV) of all stores should be made at least once in every year under rules prescribed by the head of the department, and subject to the condition that the verification, in the case of large and important stores, should be, as far as possible, entrusted to a responsible Government employee who is independent of the superior executive officer in charge of the stores. Further, a certificate of verification of stores with its results should be recorded on the list, inventory or account, as the case may be, where such verification is carried out. As per Para 15.17 of PFR, in making a PV, all discrepancies noticed should be properly investigated and brought to account immediately, so that the store accounts may represent true state of the stores; and shortages and damages, as well as unserviceable stores, should be reported immediately to the competent authority. Further Para 15.18 of PFR prescribes that in the case of perishable store the inspection should be made on half yearly basis.

Audit observed that in all the nine Divisions, the PV was not conducted properly. Only a phrase 'Physically Checked' was found mentioned on each Bin Card with undated initials of an officer of SDE level of the same division under the same Divisional Officer which is in contravention of the aforesaid rules. No report of physical verification was being prepared. In absence of PV report, quantity and value of damages, shortages, surplus and unserviceable items could not be ascertained. Further, it was also observed that physical verification of perishable items such as bleaching powder and poly aluminum chloride were conducted on annual basis instead of half-yearly.

⁴ Six in Sohna, nine in Tosham and 39 in Ambala Cantt.

5.2.5.2 Non-utilisation of stock items lying in Stock Suspense

It was seen that three items amounting to ₹ 50.72 lakh (January 2022) mentioned in the **Table 5.2.5** below, were purchased either without requirement or far in excess of requirement leading to blockade of funds.

Table 5.2.5: Detail of items lying in stock suspense

Name of Division	Quantity Balance (November 2019)	Date of last transaction	Cost of balance quantities (₹ in lakh)
Raw Water Pump/Clear Water Centrifugal Pump/Motors			
Sohna	16	April 2006	5.91
Tosham	7	August 2003 to February 2011	1.17
Sirsa No. 2	06	December 2004	0.15
Sonepat No 2	29	June 2000 to July 2011	8.68
Kaithal No.1	31	April 2005 to October 2009	6.23
Naraingarh	19	February 2008 to April 2010	6.45
Kurukshetra	8	March 2005	1.95
Total (a)	116		30.54
Low Carbon Galvanized Screen Pipe			
Sohna	62	August 2012 to January 2014	2.92
Total (b)	62		2.92
Composite Pressure Pipe			
Tosham	5,156	August 2008	3.87
Sonepat No 2	5,920	July 2011	4.44
Ambala Cantt.	4,007	April 2010	2.97
Naraingarh	8,083	June 2016	5.98
Total (c)	23,166		17.26
Grand Total (a+b+c)			50.72

The above items were booked in Stock Suspense and have not been issued over a long period of time, despite knowledge of its presence in the store as the departmental physical verification was being carried out every year.

5.2.5.3 Delay in disposal of unserviceable stock articles - ₹ 60.78 lakh

It was seen that huge quantity of Aluminum: 58,468 Kg, Cast Iron: 6,953 Kg and Iron: 2,278 Kg was lying as junk and surplus in the store. The condemnation board inspected (August 2016) the store and found the items beyond economical repair and declared them as condemned/surplus and fixed (August 2016) their reserve price as ₹ 60.78 lakh on the prevailing market rate as against the original purchase value of ₹ 3.78 lakh. Accordingly, a tender was invited and opened in August 2018. Single Bid was received and the firm quoted price of ₹ 6.47 lakh which was very less (10.65 per cent of the reserve price). Due to poor response, it was decided to re-invite the tender but no step was taken subsequently by the department in this regard. The above mentioned items continues to remain in the store (November 2019).

Thus, due to lackadaisical attitude of the department, these scrap items are not only occupying the valuable space of the store but also blocking the funds to the tune of ₹ 60.78 lakh.

5.2.5.4 Understatement of inventory

Material at site register (MAS) is a key document for monitoring the utilisation of material issued to work/contractor from Store. The unused material issued on a work and kept in MAS is required to be returned to the store at the earliest after the completion/closure of the work.

It was seen in MAS that 500 HDPE water tanks were transferred from Nuh store in May 2016 to Sohna Division. Out of these, 160 water tanks were returned back to the Nuh store, 35 water tanks deposited in Sohna store, 34 water tank were utilised and remaining 271 water tanks which were physically lying at the store of PHE Division, Sohna were still (November 2019) on the MAS of the concerned Junior Engineer. This resulted in understatement of spare quantity of a particular item of Inventory in store.

5.2.5.5 Improper utilisation plan of Asbestos Cement (AC) pipes

It was seen that 66,888.50 meters of AC Pipes of different dimensions amounting to ₹ 1.43 crore were lying unutilised in different stores of the department. Analysis of store bin cards revealed that these pipes were purchased before 2014 but not utilised till January 2022. Thus, improper utilisation plan of AC Pipes resulted in blockade of funds to the tune of ₹ 1.43 crore.

5.2.5.6 Conclusion

Serious irregularities were noticed in upkeeping the stores as physical verification of stores was not conducted as per codal provisions, unutilised inventory was lying in the stores since long and actual quantity of unserviceable/scrap items was not ascertained. Further, obsolete and unserviceable items were not disposed of.

During exit conference (29 April 2022), the Additional Chief Secretary (ACS), while admitting the facts had directed the departmental officers to look into the matter and resolve the issue by improving the Accounting Management System and other applications needed in this regard. The ACS further stated that the department should have an internal audit mechanism.

5.2.6 Recommendations

The State Government may consider:

- Integrating information of Public Financial Management System (PFMS) with the Accounting Management Software of PHED or with the Voucher Level Computerisation for non-cash transactions which are not captured in e-Billing/Integrated Financial Management System (IFMS) to enable utilisation of unused pipes and other material in Centrally Sponsored/Centrally Funded Schemes which require reflection of expenditure in PFMS.
- Developing and implementing IT applications integrating with IFMS so that e-Billing can be integrated with the operation of Stock Suspense Head;
- Providing need based budgetary allocations under Stock Suspense Head;
- Reconciling manual and online Bin Cards;
- Making provision of age-wise inventory report in IMS;
- Developing efficient and effective method of physical verification and preparation of PV reports thereto; and
- Developing monitoring system for ensuring prompt disposal of obsolete/unserviceable/scrap/surplus items.

5.3 Irregular and excess payment to the contractor for work not done

Due to items of works not recorded on actual basis and falsely certified, an amount of ₹ 2.53 crore was recoverable from the agency on account of irregular excess payment.

Paragraph 18.8.1 of Haryana Public Works Department (PWD) Code (Code) states that the Junior Engineer (JE) shall make complete recording/checking of measurements at the earliest. Rather, to facilitate the process, he can do the work even before the bill is submitted by the contractor but shall not take more than 10 days for submission of Measurement Book (MB) to his superior. Further, Para 6.6.7 of PWD Code stipulate that Sub-Divisional Engineer (SDE) shall fully check the foundation of every work and see that it is sound. The SDE shall remain in constant and close touch with the day to day work of the JE and should see that measurements are taken in due time and got checked.

The work of providing and laying of Ductile Iron (DI) Rising Main from Canal to Main Water Works, Renovation of Storage and Sedimentation (SS) Tank, Re-

construction of Boundary wall, Repair of structures at Main Water Works (WW) on Chattargarh Patti Road and Renovation of Mini Secretariat WW, District Sirsa was allotted (November 2019) to an agency at an agreement amount of ₹ 8.51 crore. The date of start of work was 10 December 2019 with a time limit for completion of work of 18 months.

During scrutiny (December 2021) of monthly accounts of office of the Executive Engineer, Public Health Engineering Division No. 2, Sirsa (EE) for the month of November 2021, it was noticed that a transfer entry order (26 November 2021) of ₹ 2.38 crore was attached in the monthly account by adjusting (-) debit to the above work and by debiting the amount to Miscellaneous Public Works Advances against the contractor on account of excess payment.

It was further seen that a payment of ₹ 6.86 crore was made to the contractor upto CC 4th and Running Bill (August 2021). In the meantime, on transfer of the SDE, the JE of the concerned work intimated (October 2021) the new incumbent SDE about wrong entries made in the MB for the period from September 2020 to August 2021 on account of excess measurement in respect of 17 items. The EE then ordered re-calculation of the actual work done by the agency and thereafter passed the revised 5th running bill for ₹ 4.48 crore. Thus, a sum of ₹ 2.38 crore has been paid in excess to the agency upto 5th running bill. This indicated that the concerned officials (i.e SDE/JE) had falsely certified the items of the work as executed while taking measurement and approved the payment of ₹ 6.86 crore for the work, which was irregular.

Thus, non-adherence to the Haryana PWD Codal provisions by the Engineers of the Public Health Engineering Department resulted not only in false certification of work done but also led to irregular payment of ₹ 2.38 crore for the works not actually executed. Therefore, an amount of ₹ 2.53 crore⁵ was to be recovered from the contractor along with loss of interest (average rate of interest on Government borrowings). Further, departmental action should also be initiated against the delinquent officers who were accountable for irregularity in recording of excess record entries in MB.

During exit conference (29 April 2022), the department stated that the concerned officers have been charge sheeted and instructions would be issued at departmental level directing Chief Engineers and Superintending Engineers to check the work of Main Pumping Station and SS tank at the time of laying of foundation/bed level.

⁵ ₹ 2.53 crore = excess payment: ₹ 2.38 crore plus loss of interest thereof ₹ 0.15 crore (borrowing rate of State: 6.50 per cent)

Further, Engineer-in Chief, Public Health Engineering Department intimated (9 May 2022) that a sum of ₹ 62.03 lakh has been recovered from the contractor through transfer entry during the month of December 2021 and February 2022.

Recommendation: The department should consider changing the accounting method by making (-) debit entry to the concerned work instead of debiting the amount to Miscellaneous Public Works Advances against the concerned agency.

Public Works Department (Building and Roads)

5.4 Infertuous expenditure on incomplete abandoned works and recoverable amount from the agency

Due to injudicious decisions of responsible officers of Public Works Department (Building & Roads) of revoking the agreement after a period of two years and non-action of calling for fresh tenders subsequent to termination of agreement, expenditure worth ₹ 179.25 lakh on works has become unfruitful and recovery of liquidated damages worth ₹ 12.37 lakh and 20 per cent penalty of balance work worth ₹ 40.53 lakh are still pending.

Para 16.37.1 of Haryana Public Works Department Code states that time-overruns are likely to result in higher project cost, contractual claims, delay in the use of facility and possible loss of revenue. Further, as per clause 60.1 of the contract data, if the contract is terminated on account of fundamental breach of contract by the Contractor, then the additional penalty for not completing the work shall be 20 per cent of the value of the work not completed in addition to the liquidated damages.

During scrutiny of records (July 2021 to October 2021) of Superintending Engineer, Public Works Department (Buildings and Roads), Gurugram it was seen that that the Additional Chief Secretary, Industrial Training Department had accorded (January 2015) administrative approval of ₹ 432.71 lakh and ₹ 435.61 lakh for construction of Multipurpose Hall, Canteen Block, cycle stand and sub-station at ITI, Nuh (work-A) and Ujina (Work-B) respectively. The detailed estimate for construction of these structures was technically sanctioned for ₹ 167.50 lakh in June 2015 and ₹ 167.78 lakh in May 2015 for work-A and work-B respectively by Engineer-in-Chief (EIC), PWD (B&R). The Superintending Engineer Rewari Circle allotted both the above works to 'The Haryana State Coop L/C Federation-1, Panchkula (Labourfed)' for ₹ 188.14 lakh and ₹ 193.76 lakh respectively in October 2015 and August 2015 with a time limit of 12 months and both the works were started in December 2015.

The agency failed to complete both the works despite repeated requests at

division level. In November 2016, the divisional office imposed 10 *per cent* penalty worth ₹ 18.81 lakh for work-A as liquidated damages (LD). Similarly, ₹ 19.38 lakh as LD (10 *per cent* of contract agreement) was also levied for work-B. Even then, the agency failed to start the work. The Superintending Engineer, Rewari terminated the agreement of both the works in May 2018. As per last bill (3rd & 4th bill respectively), the work-A and work-B had been executed to the tune of ₹ 69.69 lakh⁶ and ₹ 109.56 lakh⁷ respectively against corresponding agreements of ₹ 188.14 lakh (37 *per cent*) and ₹ 193.76 lakh (56 *per cent*).

The agency stopped both the works in June 2017 due to some family circumstances and unavoidable situations of the contractor. An amount of ₹ 25.83⁸ lakh of Liquidated Damage (LD) charges against imposed LD of ₹ 38.19 lakh have been recovered. The department could not encash the Bank Guarantee (BG) of ₹ 9.69 lakh (Work B) as the bank refused (October 2018) to encash the BG (in the shape of FDR) by saying that the FDR issued by their bank is not in the name of department.

On account of breach of contract by the contractor, 20 *per cent* of penalty of balance work (₹ 40.53⁹ lakh) alongwith balance LD of ₹ 12.36¹⁰ lakh remains to be recoverable from the contractor.

However, on request of the agency (October 2018) and recommendations of the Superintending Engineer, Gurugram Circle, the Engineer-in-Chief (Buildings) (EIC) revoked the termination of agreement in June 2020 of both the works *i.e* after a period of two years and granted time extension for completion of work up to 31 December 2020 on the grounds that the quantities of balance items are very small, no agency is expected to appear in the tender and rates received against tender will be at a very higher side. The Executive Engineer, Nuh directed the agency to submit fresh BG for both works for extended period amounting to ₹ 9.41 lakh for work-A and ₹ 9.69 lakh for work-B before starting the balance work but fresh BG had not been deposited by the agency and both the works were lying abandoned even after incurring expenditure of ₹ 179.25 lakh {₹ 69.69 lakh (work-A) and ₹ 109.56 lakh (work-B)} since May 2018.

The revocation was irregular and has not given any benefit as both the works are lying abandoned since May 2018 even after incurring expenditure of ₹ 179.25 lakh against the agreement cost of ₹ 381.90 lakh. Besides, ₹ 12.36 lakh as liquidated damages and ₹ 40.53 lakh for termination of contract agreement continue to be recoverable from the agency.

⁶ Paid vide voucher no. 58 dated 27 September 2018.

⁷ Paid vide voucher no. 61 dated 11 October 2018.

⁸ **Work A:** LD: ₹ 4.66 lakh *plus* BG: ₹ 9.41 lakh and **Work B:** LD: ₹ 11.76 lakh.

⁹ **Work A:** ₹ 23.69 lakh and **Work B:** ₹ 16.84 lakh.

¹⁰ **Work A:** ₹ 4.74 lakh and **Work B:** ₹ 7.62 lakh.

Thus, both the works are lying abandoned since May 2018 even after incurring expenditure of ₹ 179.25 lakh against the agreement cost of ₹ 381.90 lakh. Besides, ₹ 12.36 lakh as liquidated damages and ₹ 40.53 lakh for termination of contract agreement continue to be recoverable from the agency.

During exit conference (11 May 2022), the department admitted the facts and stated that the work has now been started at the site and would be completed in due course of time. With regard to the observation on non-obtaining of FDR in the name of the department, the ACS also directed the departmental officers to ensure obtaining BG in the name of the department in future.

Thus, non-action of calling for fresh tenders subsequent to termination in May 2018 coupled with injudicious revoking the termination of contract agreement by EIC after a period of two years from the termination of contract led to an unfruitful expenditure of ₹ 179.25 lakh besides depriving the students the benefit of necessary infrastructure in the ITIs.

5.5 Allotment of work to ineligible agency and non-recovery of ₹ 2.15 crore due to less assessment of value of contract for levying Liquidated Damages and penalty for left over work

The Department violated the bid conditions, awarded the work to ineligible bidders and dis-obeyed the specific orders of Engineer-in-Chief (EIC) to restrict the value of stone taken out by agency to ₹ two crore at any given point of time. Calculation of Liquidated Damages (LD) and penalty for left over work was not appropriate resulting into undue benefit in terms of LD and penalty for left over work valuing ₹ 1.53 crore.

Paragraph 6.4.1 of Public Works Department (PWD) code envisages that Superintending Engineer is a direction and controlling officer. He is responsible to Engineer-in-Chief/Chief Engineer for the efficient administration and general professional control of public works in the charge of officers of the department within his Circle. He provides inputs to the Engineer-in-Chief /Chief Engineer in regard to technical and professional matters, and with respect to the suitability of projects or reasonability of designs.

Further, Rule 32 (1) of Haryana Minor Mineral Concession, Stocking, Transportation of Minerals and Prevention of Illegal Mining Rules, 2012 provides that where any mineral is encountered in the process of construction of any building or a development project and has to be extracted in the process of execution of such project, such person may be granted a permit to either use such mineral for self-consumption or for its disposal outside the project area on payment of the applicable royalty and other charges to the Government for the quantity so excavated and consumed or disposed of.

Scrutiny of records of the office Executive Engineer (EE), Public Works Department (PWD) Buildings and Roads (B&R) Division, Nuh during July 2021 to October 2021, it was observed that the State Government accorded an administrative approval of ₹ 19.82 crore in February 2016 for construction of 4.35 km link road between village Notki to Tijara as there was no link road for the peoples of the surrounding areas. The main cost components in tender of this project were construction of road, land acquisition, forest clearance and provision of credit of stone metal to be obtained from excavation of hill.

As per Detailed Notice Inviting Tender (DNIT), the cost of construction of road works out to ₹ 13.40 crore and recoverable amount for 70 per cent quantity of excavated stone/hill rocks (3,55,851 cum stone) was estimated at ₹ 8.90¹¹ crore (at the rate of ₹ 250 per cum). In tendering process, M/s SKR Company, Hisar, quoted the rates for the work at - ₹ 4.48 crore mainly due to quoting of rate of ₹ 410 per cum against the estimated rate in DNIT of ₹ 250 per cum for 3,55,851 cum stone *i.e.* 70 per cent of total excavated hill rock.

The EE mentioned (February 2018) that rates quoted by the agency were on extremely lower side and there were chances that either contractual agency would try to execute the work of improper specifications by using sub-standard material or might leave the work in between after executing the rock cutting of the hilly portion. Accordingly, while approving tender case (March 2018), the EIC had instructed that SE/EE/Field officers/officials should make a mechanism to keep a watch on the stone taken by the contractor and at no point of time, the value of stone taken should exceed additional BG amount of ₹ two crore. Finally, the work was awarded (March 2018) to M/s SKR Company, Hisar for ₹ 10.11 crore with a time limit of 12 months and recoverable amount of ₹ 14.59 crore. The agency deposited unbalanced bid security of ₹ two crore along with the performance security of ₹ 22.53 lakh.

During scrutiny of tendering process, it was observed that as per conditions of Clause 4.5.3 (a) of Instructions to bidders, the annual turnover was required to be ₹ 5.36 crore¹². However, annual turnover of the agency was ₹ 4.88 crore (which was less than required turn over by ₹ 0.48 crore) due to which the agency would have become ineligible. Thus, incorrect evaluation of financial capacity as per DNIT led to allotment of work to an ineligible agency.

The agency could not achieve the milestone with in time and asked for time extension (February 2019) up to 30 May 2021. The EIC granted (March 2019)

¹¹ ₹ 8.90 crore = ₹ 250 per cum (rate for per cum for stone) x 3,55,851 cum stone (quantity of stone).

¹² Required turnover – 40 per cent of the value of contract (₹ 13.40 crore x 40 per cent = ₹ 5.36 crore).

time extension up to April 2020 but the agency could not complete the work even in extended period and after April 2020, the agency left the work.

Out of road construction work amounting to ₹ 10.11 crore, the agency had executed the work to the tune of ₹ 2.61 crore for construction of road and ₹ 4.45 crore were recoverable from the agency for taking away the stone/hill rock. As such work, to the tune of ₹ 7.50 crore had been left over by the agency and the penalty under Clause 60.1 of the contract agreement at the rate of 20 *per cent* of the remaining work (*i.e.* ₹ 1.50 crore) was required to be levied and recovered from the contractor. The agency had deposited ₹ 20 lakh against recovery (July 2020). The contract was terminated in February 2021 by EE with approval of EIC (January 2021) under Clause 59.2 (g) Conditions of Contract Agreement which states that the contractor has delayed the completion of work by number of days for which maximum amount of LD as 10 *per cent* of the initial contract price can be paid. After terminating the agreement, the unconditional bank guarantee of ₹ two crore was got encashed (June 2021) by the department. The department has neither encashed the performance security nor extended the period of Performance security amounting to ₹ 22.53 lakh.

The work of construction of road was awarded to the agency for expenditure of ₹ 10.11 crore. Before terminating of agreement, the contractor excavated the stone amounting to ₹ 4.45 crore and executed the work of construction of road amounting to ₹ 2.61 crore. Thus, the agency has to pay ₹ 1.84 crore after adjusting the cost of construction. Considering the agreement amount ₹ 10.11 crore for construction of road, the total recoverable amount on account of LD amounts to ₹ 1.01 crore and penalty for left over work amounts to ₹ 1.50 crore. A recovery of ₹ 2.20 crore (₹ 2 crore + ₹ 20 lakh) was made from the agency. Thus, in the assessment of audit, a recovery of ₹ 2.15¹³ crore needs to be made from the agency.

On being pointed out by Audit (September 2021), the EE replied (December 2021) that contractual agency has executed the work amounting to ₹ 2.61 crore before the termination of agreement, and recovery due from the agency for excavation of stone was ₹ 4.45 crore. After adjusting the value of excavation of stone and work done, net amount due from agency was ₹ 1.84 crore. The competent authority terminated the contract (February 2021). The Divisional office imposed LD of ₹ 0.48 crore and penalty of ₹ 0.53 crore for balance work. A recovery of ₹ 2.20 crore (₹ 2 crore + ₹ 20 lakh) was made from the agency. The EE requested (December 2021) the agency to deposit the balance payment of ₹ 61.15 lakh. The assessed recovery of ₹ 61.15 lakh is assessed to be short by

¹³ ₹ 2.15 crore = ₹ 1.84 crore + ₹ 1.01 crore + ₹ 1.50 crore - ₹ 2.20 crore.
₹ 1.84 crore = (₹ 4.45 crore - ₹ 2.61 crore).

₹ 1.53¹⁴ crore against the recoverable amount of ₹ 2.15 crore.

Audit is of the opinion that while calculating the penalty, the divisional officer assumed the agreement amount as ₹ 4.48 crore but the work of construction of road was amounting to ₹ 10.11 crore. Due to this, Divisional officer has shown recoverable amount as ₹ 61.15 lakh only in lieu of ₹ 2.15 crore.

Reply of department is not tenable as the agreement for construction of road was ₹ 10.11 crore but divisional officer has calculated the LD on contract value of (-) ₹ 4.48 crore and termination of agreement charges after adjusting the excavation of stone from contract value.

Thus, the calculation of penalty of LD and penalty for balance work due to termination of contract agreement was not appropriate which resulted in undue favour to agency amounting to ₹ 2.15 crore.

During exit conference (11 May 2022), the department admitted the facts and stated that such a tender was the first one in the department. The lessons learnt would be considered for suitable changes in internal control processes of the Department.

5.6 Non-termination of contract led to undue benefit to contractor of ₹ 26.46 crore

Inordinate delay in construction of National Law University at Sonapat due to injudicious time extension and non-termination of contract led to undue benefit to contractor of ₹ 26.46 crore as penalty of liquidated damages and left over work penalty alongwith loss of interest.

Para 16.16.1 of Public Works Department (PWD) code envisages that delay in completion of the contract in the time originally fixed in the contract may be caused by the employer, or contractor, or third party or *force majeure*. The consequences of delays can be in the form of (a) extension of time, which may be compensable (escalation) or non-compensable, or (b) extension of time with imposition of liquidated damages, or (c) determination/termination of the contract.

Clauses 60.1 of agreement envisages that if the contract is terminated because of fundamental breach of contract by contractor, Engineer-in-Charge shall issue a certificate for the value of work done by the agency less any advance payments, recoveries or taxes due. Condition 49.3 of contract states that if the contractor fails to comply with the time for completion as stipulated in tender,

¹⁴ (Leviable- levied) = (₹ 1.01 crore + ₹ 1.50 crore) – (₹ 0.45 crore + ₹ 0.53 crore) = ₹ 1.53 crore.

then contractor shall pay to the employer Liquidated Damages (LD) at a rate specified subject to a maximum of 10 *per cent* of the contract value. Besides, if the contract is terminated on account of fundamental breach of contract by contractor, then additional penalty for not completing the work shall be 20 *per cent* of the value of the work not completed in addition to LD. The LD is imposed not by way of penalty but by way of compensation for losses suffered by the Government and cannot be waived off by discretion. It gets waived off automatically as per Clause 49.2 which states that if the contractor achieves the next milestone in time, then LD imposed will be waived off automatically and payment shall be released without any interest in the next bill due to contractor.

During audit (July 2021) of the office of the Chief Engineer (Buildings), PWD Buildings & Roads (B&R), Chandigarh it was noticed that the State Government accorded administrative approval (May 2013) for ₹ 119 crore for establishment of Dr. B R Ambedkar National Law University, Sonapat (BRANLU) comprising 16 different structures¹⁵. The work was allotted to M/s MBL Infrastructure Limited., New Delhi (January 2014) for an amount of ₹ 92.46 crore to be completed within 24 months *i.e.* by February 2016¹⁶. The Department had not provided clear site for Academic and Administrative Blocks only but other sites like boys & girls hostel, Dispensary and shopping centre, canteen block, professor houses, boundary wall and front gate, etc. was made available to the contractor at the start of the work. Sites for construction of Academic and Administrative Blocks were also provided in March 2017. On the basis of reasons such as bankruptcy and financial crisis of contractor, delay in issue of requisite lay out plan, delayed site handed over to agency, delay in issue of drawing, specification, material, modification, *etc.* the Engineer-in-Chief (EIC) approved (February 2018) the extension of time (EOT) for completion of work upto 1 February 2019.

However, the agency sought further EOT (February 2019) up to 30 September 2019 by giving the same reasons as earlier given by the agency. The request for EOT was not accepted by EIC (March 2019).

On declining of EOT by EIC, the Superintending Engineer was required to terminate the contract using Clause 59.2 of conditions of contract and levy Liquidated Damages and penalty as per Clause 49 of condition of contract read with Clause 37 of contract data of the agreement.

¹⁵ (i) Boys Hostel (ii) Girls Hostel (iii) Dispensary and shopping area (iv) Boundary wall and front gate (v) Vice Chancellor's residence (vi) Library block (vii) Registrar block (viii) Professors' residences (ix) Residences for Assistant/Associate Professors (x) Guest House (xi) Staff quarters (xii) Academic block (xiii) Administrative block (xiv) Canteen (xv) Underground Water Tank and (xvi) Fire fighting works.

¹⁶ Work was started on 4 February 2014.

The contractor again requested (May 2019) for EOT up to December 2019 along with request for release of payment of pending bills. The EIC agreed to grant EOT, if the milestones¹⁷ for part of hostel block are met *i.e.* June and July 2019 and the contractor submits Bank Guarantee (BG) equal to leviable LD.

Due to non-submission of BG and other conditions of progress of work, the Tender Allotment Committee (TAC) decided (June 2019) to terminate the agreement under Clause 59.2 of the agreement and accordingly, a notice for termination of contract was issued (20 June 2019) to the contractor. On getting this termination notice, the contractor requested (July 2019) to withdraw the notice of termination and to release pending payments, grant EOT up to 31 March 2020, waive levy of LD and provide escalation.

In the interest of work, the Department decided (August 2019) to release all pending payments after withholding 10 *per cent* amount from the running bills of balance work and the issue relating to grant of EOT had been kept pending for reviewing after three months. The review of the work as well as decision regarding EOT and levy of LD was to be done after three month *i.e.* November 2019 which was not seen to be done.

Till 30 June 2019 the agency had completed work amounting to ₹ 60.70 crore. Therefore, an amount of ₹ 15.60¹⁸ crore (including LD at ₹ 9.25 crore) was to be recovered from the contractor in case of termination of the contract.

The contractor (January 2020) requested for release of pending payments and invoked dispute redressal system under Clause 24 of the agreement which states that for dispute relating to contract of value higher than ₹ 10 crore, the agency may first appeal to the concerned SE.

Fresh targets were fixed for June 2020 (February 2020) and August 2020 (July 2020) for completion of work. On the contrary, the contractor requested (July 2020) for EOT up to 31 March 2021. A number of meetings were held (September 2020, December 2020, February 2021 and June 2021) among the University Officers, Officers of PWD (B&R) and the agency in which the agency assured that the work would be completed by 30 July 2021, even though the agency continued to violate its own assurances.

The work was completed by the agency (31 July 2021) except finishing of VC's Residence and boundary wall structure of disputed land, however, the EIC granted (October 2021) EOT up to July 2021.

¹⁷ Complete 1st and 2nd floor by June 2019 and 3rd floor by July 2019.

¹⁸ ₹ 15.60 crore = ₹ 9.25 crore (LD) + ₹ 6.35 crore (penalty for left over work of ₹ 31.76 crore).

The department refunded the withheld LD amount of ₹ 3.14 crore¹⁹ from running bills in November 2021 which is seen to be irregular being outside the provisions of agreement and not supported by any supplementary agreement.

Audit observed that due to condonation of delays of nearly 30 months attributable to contractor led to non-levy of LD of ₹ 9.25 crore, loss of interest cost (₹ 9.76²⁰ crore) of the blocked capital (₹ 60.70 crore) for 25 months which was undue benefit to the contractor at the cost of Government of Haryana (GoH). Besides, the rent amounting to ₹ 1.10 crore paid by the BRANLU during August 2019 to December 2021 for operating in a rented campus is also damages suffered.

Thus, non-termination of contractor and non-levy of LD and penalty, interest loss and rent paid led to loss of ₹ 26.46²¹ crore to the Government. An exit conference was held on 11 May 2022 with Additional Chief Secretary, PWD (B&R) wherein it was intimated that initially the work was held up due to site dispute and further contented that no escalation was given to contractor after stipulated date of completion which is also a financial burden on the contractors. The contention of the department was not tenable as period up to non-availability of site has been excluded for the purpose of levy of damages and setting off of potential losses through non-accounted adjustment of liquidated damages levied/leviable (without any documentation) is neither transparent nor an assurance of the working of internal controls. Such unauthorised use and acceptance of discretions (arguably done in the interest of work/Government) compromise the internal controls in the working of the Department and carry risk of misuse.

Public Works Department (Irrigation and Water Resource Department)

5.7 Irregularities in the tender assessment process followed by Tender Allotment Committee

The Tender Allotment Committee (TAC) worked in a non-transparent manner and left out eligible bidders compromising on the integrity of the bids evaluation process, used different standards in different tenders, took decision inconsistent with the existing instructions and provisions contained in Standard Bidding Document (SBD).

The Irrigation and Water Resources Department (I&WRD), Haryana follows two

¹⁹ Collected from the agency from 35th bill to 52nd bill (September 2019 to July 2021).

²⁰ First 24 months: {₹ 60.70 crore *(1.0741)²} = ₹ 70.03 crore, Compound interest = ₹ 70.03 crore - ₹ 60.70 crore = ₹ 9.33 crore and interest for 25 months = {₹ 70.03 crore - (₹ 70.03*1.0062)} = ₹ 0.43 crore.

Total interest = ₹ 9.33 crore + ₹ 0.43 crore = ₹ 9.76 crore.

²¹ ₹ 26.46 crore = Penalty for left over work: ₹ 6.35 crore + LD: ₹ 9.25 crore + Interest cost of blocked capital of ₹ 60.70 crore: ₹ 9.76 crore + Rent paid : ₹ 1.10 crore.

envelope²² system of tendering in compliance to paragraph 14.8.2 of the PWD Code. The competent authority approves the responsive qualified bids on the basis of technical bids. Thereafter, the financial bids of qualified bidders are opened and considered for acceptance by the competent authority. The tender allotment committee comprising Engineer-in-Chief as Chairman and all the Chief Engineers and Chief Accounts Officer as its members is the competent authority to accept tenders for the works more than ₹ five crore. The tenders are called on the basis of Standard Bidding Document (SBD) adopted in the department.

Audit scrutinised 11 tender cases (*Appendix 5.1*) in the office of Engineer-in-Chief (EIC), I&WRD (October, 2020²³ followed by further scrutiny in June 2021 and July 2021) with the objective to ensure that-

- Tender evaluation process is consistent with the provisions of SBD.
- Tender evaluation process is consistent across various tenders.

In the 11 tender cases total 35 bids were received. The findings are summarised as under:

5.7.1 Ignoring the necessity of signature by Engineer-in-Charge

(i) **Clause 4.5 of Section 1 of the SBD** relates to assessment of available bid capacity of the bidder. It is calculated by deducting the existing commitments of the bidder from the total bid capacity which is calculated on the basis of works executed by the bidder. The clause provides that the value of existing commitments and ongoing works as well as the stipulated period of completion remaining for each of work listed should be countersigned by the Engineer-in-Charge not below the rank of an Executive Engineer or equivalent.

The relevance of the clause is to check whether the contractor has enough bid capacity left with him in order to participate in the bid process. Further to ensure that the quantities of existing commitments/ongoing works shown by the contractor are authentic and to avoid factually incorrect documents by the bidders.

It was seen that the statement of existing commitments and ongoing work details of the contractor was not countersigned by Engineer-in-Charge in 31 out of 35 bids in 11 tender cases. In two bids, the statement was not submitted by the bidder. In other two bids, the statement was submitted by the bidder which were countersigned by Engineer-in-Charge (both these bids related to the work given at Sr. No. 10 of the Appendix 5.1). It is an essential document by which it is

²² Envelope-1 is technical bid containing information on qualification such as experience in same kind of works, capabilities with respect of personnel and equipment, financial position, earnest money, *etc.* and Envelope-2 is financial bid

²³ During annual compliance audit.

assessed that the contractor has requisite technical and financial stability to execute the work. The Tender Allotment Committee (TAC) found all these 31 bidders as responsive and allotted the 10 works to the bidders who had not complied with the provisions of Clause 4.5 of Section 1 of the SBD.

(ii) Clause 1.3 (a) under Section 2 of SBD provides that all the certificates to be attached by the contractor should be from the Employer/Engineer in prescribed format. The prescribed format provides for various details of the works in hand viz. Project name; Name of employer/Engineer with full address; Description of work including Date of start, Percentage of work done, Scheduled date of completion, Amount etc. This information is used to calculate Bid capacity under Clause 4.5 of Section 1.

Since the department does not follow the requirement of counter signature by the Engineer-in-Charge it carries the risk of discrepant data submitted by the bidder as explained in following cases:

- In the works given at Sr. No 7 & 8 of Appendix 1, the bidder M/s Dayanand Contractor submitted varying details of the value of on-going works in both tenders. In case of work at Sr. No.7, balance value of three on-going works of ₹ 300 lakh, ₹ 20 lakh and ₹ 10 lakh as on 21 December 2018 was given. While in case of work at Sr. No. 8 balance value of same three on-going works of ₹ 400 lakh, ₹ 50 lakh and ₹ 25 lakh as on 7 February 2019 was submitted.

It is assessed that the value of ongoing works should be decreased between December 2018 and February 2019. Hence, the statement was incorrect. However, both the works were awarded to M/s Dayanand Contractor.

- In another instance, a bidder M/s Bishan Parkash & Co. (Sr. No. 11) submitted his bid online. Later on, it came to light that he did not include an ongoing work amounting to ₹ 10.69 crore. There exists no systemic counter-check for this type of concealments or omissions. This instance came to light only due to the fact that the said running work happened to be in the same division.

Instead of declaring the bidder non-responsive under the provisions of paragraph 14.10.1 of the Haryana PWD Code for presenting misleading or false forms, attachments in proof of the qualification requirements, he was declared responsive.

From above, it is evident that the bidder may present false facts with regard to ongoing work due to the statement not being countersigned by an officer equal to the rank of Executive Engineer or above.

Thus declaring 31 bids as responsive in 11 tenders was inconsistent with the provisions of SBD. The potential impact of accepting these 31 bids responsive in the 11 evaluated tenders led to award of 10 works (except one at Sr. No. 10) having financial impact assessed to be ₹ 177.94²⁴ crore. This vitiated the tendering process against safeguarding government interest of ensuring bidders with resources for the execution of works.

On being pointed out (March 2022), the ACS intimated (May 2022) that “as a remedial measure, this issue has been raised by the Department at various forums during discussion/deliberations and now Common Bid Document (CBD) of all Government/Semi-Government Departments has come up and signing of such existing commitments by Engineer-in-Charge not below the rank of Executive Engineer, has been omitted. This information is now to be given by the Contractor under Section 2 of Clause 1.33". The omission of the above mentioned clause in the CBD is not acceptable as it does not safeguard the interests of the Government since this clause is directly associated with the reliability of information for assessing the ‘Available Bid Capacity’ of the bidders. Further, the instances of discrepant data have already been explained above in the paragraph.

5.7.2 Making signatures of Engineer-in-Charge necessary in contravention to provisions of SBD

Clause 4.2(ii)(A)(c) of SBD provides to submit necessary document online with respect to financial turnover, quantum of similar works executed and quantum of some crucial items of work executed in recent years. The purpose for the clause is to check the experience and execution capabilities of the contractor for the work.

As per clause of SBD there is no necessity to get the documents of executed quantities signed from the Engineer-in-Charge. However, the department had followed the practice that statement of completed works of the contractor should be countersigned by Engineer-in-Charge. In the examination of 11 tender cases involving 35 bids, it was seen that 32 out of 35 bidders had submitted documents in respect of executed quantities against requirements of the clause 4.2(ii). This included 31 countersigned by Executive Engineer and held to be responsive and one not countersigned by the Executive Engineer (M/s Oriental Ceramics & Refractories Pvt. Ltd. in bid relating to Sr. No 1) and was held as non-responsive. Three bidders had not submitted the documents in this respect. As such, the department has been considering countersignature by Engineer-in-Charge as a factor to make the bidders non-responsive.

²⁴ Total bid value of 11 tender (₹ 192.06 crore) - bid value of tender at Sr. No 10 (₹ 14.12 crore) = ₹ 177.94 crore.

Action of Tender Allotment Committee (TAC) in treating this bid non-responsive was inconsistent with the provision of the Clause 4.2(ii) of the SBD and vitiated the tendering process against the objective of wider participation and carries risk of higher determination of price. The potential impact of making one eligible bidder non-responsive is assessed to be ₹ 13.67 crore (Sr. No. 1).

On being pointed out (March 2022), the ACS intimated (May 2022) that remedial measures against such instances has been incorporated in Section 1, Clause 23.7 of CBD of Government/Semi Government Departments as “The Employer shall host the result of technical evaluation of bids alongwith the reasons for rejection of Part-I of the bid (Technical Bid) on the website. Thereafter, the employer shall wait for seven days before opening of the financial bid of the qualified bidders so as to give the disqualified bidders and opportunity to avail, if they so desire, any remedy available under the Law”.

The remedial action does not relate to issue pointed out by Audit but relates to providing opportunity to the bidders to represent. It neither determines the action of involved officials as deficient nor decides that there was no deficiency.

The above reflects widespread discrepancies in the tender evaluation mechanism in the Department.

5.7.3 Discrimination in tender evaluation amongst the tender cases

(i) Acceptance of documents after the date of online submission of bids

Clause 19.3 of Section 1 of SBD provides that no bid can be modified after the deadline for submission of bids. Further Clause 17.3 provides that the bid documents shall contain no alterations or additions, except those to comply with instructions issued by the Engineer, or as necessary, to correct errors made by the contractor/agency and such corrections shall be initialed by the persons signings the bid documents.

The purpose of the clause is to make the tender process fair for all and to make it as transparent as possible. No document shall be allowed to be included in the bid after the deadline mentioned in the bid.

It was seen that in respect of the work at Sr. No. 11, one bidder M/s Bishan Parkash & Company had not submitted the standard bidding document online. Apart from this, the details of ongoing works, which are submitted without counter-signature of Engineer (as mentioned in sub para 2.8.1 (ii) earlier), were found incorrect. In the meeting held in June 2021, the TAC considered the updated details submitted by the agency (through representation) after the date of online submission of bids. Accordingly, the agency was declared responsive instead of non-responsive by the TAC despite its own guidelines that no document of the agency/contractor will be considered after the date of online

submission of bids which vitiated the tendering process.

In the examination of 11 cases, in 2 cases the documents have been supplied by the contractor after the date of online submission of bids. In one case (Sr. No. 1) the document has not been accepted and the contractor has been held non-responsive. While in other case (Sr. No 11) the TAC has entertained the contractor's document and thereafter held him to be responsive.

The potential impact of making one bidder responsive is assessed to be ₹ 28.01 crore. The assessment of potential impact in terms of actual impact at the stage of implementation has not been covered in this audit assignment.

On being pointed out (March 2022), the ACS intimated (May 2022) that as a remedial measure instructions in this regard were already issued by O/o EIC. Now CBD of all departments/Semi Govt. Deptts has come up wherein in DNIT itself a note has been mentioned as under:

Bidding shall be online only and no document shall be accepted in any physical form except earnest money in case of bidder who is not registered by Haryana Government. Further, as per Section-1 Clause 23.6 (ii), the technical bid will be evaluated on the basis of the documents submitted online by the bidder and no modification of his technical bid will be sought from the bidder. No cognizance of the documents submitted subsequently by the bidder on his own regarding his technical bid shall be taken. However, clarification can be sought upto the extent of clearing any doubt about the documents already submitted online.

(ii) Acceptance of bid with validity of BG/EMD being lesser than the prescribed period

Clause 15 of SBD provides that for the Contractor/Agency to furnish Earnest Money Deposit (EMD) for the amount as specified and is required to be valid for 45 days beyond the validity period of bid as specified in Clause 13. A tender not secured by such an EMD is required to be rejected by the Engineer as non-responsive.

The prescribed period of validity being 90 days in Clause 13 of SBD, EMD is required to have a validity of 135 days. The purpose of this Clause is to safeguard the interest of government against the risk of bidder withdrawing from the process subsequent to him/her being awarded the tender.

In the examination of 11 cases, in three cases (Sr. Nos. 2, 5 and 7), the EMD/BG was not valid as per bid document and was found less by 45²⁵ and 53²⁶ days in

²⁵ Required date = 15 November 2018 + 135 = 30 March 2019; Actual date of validity = 13 February 2019

²⁶ Required date = 14 February 2019 + 135 = 29 June 2019; Actual date of validity = 07 May 2019

respect of two bidders for works at Sr. No. 5 and 7 and still they were held to be responsive. In one instance (Sr. No. 2) two contractors have been made non-responsive on account of non-submission of EMD/BG upto stipulated time given in tender document.

Finding bids responsive in the case of two²⁷ tenders (the tender was awarded to these two agencies) was inconsistent with the provisions contained in SBD. The potential impact of declaring two bidders responsive is assessed to be ₹ 36.47 crore. The assessment of potential impact in terms of actual impact at the stage of implementation has not been covered in this audit assignment.

On being pointed out (March 2022), the ACS intimated (May 2022) that it is dealt on case-to-case basis, depending on various factors. Also, instances have been given where it favoured the State Exchequer. Audit is of the view that tender process is a transparent system, where all the bidders should have been treated transparently on merit basis. In the above mentioned cases, the agency has been favoured by the way of accepting the BG/EMD for the less timeframe while in other instance it has been rejected. This leads to discretion of accepting and rejecting of a bid on same aspect which is assessed to be neither permissible nor desirable.

The above observation reflects widespread discrepancies in the tender evaluation mechanism in the Department.

5.7.4 Updated standard bidding document

Subsequent to taking up of Audit, Government of Haryana updated the Standard Bidding Document for works costing ₹ one crore and above on 20 May, 2021.

(i) The clause 4.2 (ii) under Section 1 of old SBD has been changed as clause 4.5A of Section A, in which it has been clearly mentioned that a certificate from the employer shall be submitted along with qualification information clearly mentioning the name of work, contract value, billing amount, date of commencement of works, satisfactory performance of the Contractor and any other relevant information. As such, the works executed and particular items executed in last five years are required to be certified by the employer concerned.

(ii) Further, clause 4.5 of old SBD has been changed as clause 4.6 of Section A. In the updated version of SBD the necessity of getting the existing commitments countersigned from the engineer-in-charge has been omitted.

It is seen that through this updated SBD, Government of Haryana has revised the provisions of SBD to make it consistent with the practice being followed

²⁷ (i) The Tibba Dana Sher Co. L&C Society Limited (Sr. No.5) ₹ 11.47 crore (ii) M/s Daya Nand Contractor (Sr. No 7) ₹ 25 crore.

and carries the risk of misrepresentation by the bidder in respect of existing commitments. However, making the certificates from employer for works executed by the bidders is assessed as an improvement.

An Exit Meeting was held with the department on 25 May 2022 wherein the department while reiterating the already submitted reply (April/May 2022) stated that the necessary amendments in respect of Clause 4.5 of Section 1 of SBD have already been made. There is no impact on contractors. The main reason of varying value of on-going works is that the works were revised/enhanced during that period. There is no discrepancy in the data. The department aims to enhance competition and ensure maximum participation and there is no financial loss.

Audit is of the view that the bid capacity calculation is still part of tender evaluation. The omission of requirement of counter-signature is not in the interest of Government. This should be reconsidered so as to prevent any risk of mis-statement of facts. Audit is of the view that rejection/acceptance of bids should be uniform and not on self-conferred discretion on grounds to ensure enhanced competition which is assessed in Audit to be against the principles of transparency, consistency and standardised operating procedures in public procurement.

Recommendation: The State Government may consider investigating the irregularities in the Tender Assessment process for the deviations reflected above.

Urban Local Bodies Department

5.8 Non-adherence to prescribed norms/procedures resulting in irregular payments to contractors on account of development works

Allotment of works to a contractor on quotation basis by flouting the prescribed e-tendering process without approval of estimates, repetition of allotment by slight variation in name of the contractor but having same TIN Number and place of business culminated in a loss of ₹ 23.80 crore to the Municipal Corporation Faridabad (MCF) as no works were executed against these payments. Further, an amount of ₹ 183.83 crore was disbursed to the same contractor without proper documentation thereby indicating weak internal and financial controls.

Paragraph 10.1.3 of the Code provides that the estimates shall be a cost-effective proposal for the intended purpose and be as accurate as possible. Further, as per Paragraph 9.5.1 of the Code, for every work proposed to be carried out, a detailed estimate must be prepared for sanction of the competent authority. This sanction shall be known as technical sanction and should precede the actual

execution. Paragraph 9.5.5 of the Code provides that the detailed estimate should bring out quantities of principal materials to be consumed and unit rates of cost. Paragraph 9.3.8 of the Code also provides that the necessity of obtaining administrative approval of higher authority is not avoided by the fact that the cost of each particular work in the project is within the powers of a lower authority to accord approval.

Director, Urban Local Bodies Haryana informed (November 2014) to all the municipalities about the decision of the State Government for enforcement of e-tendering system for all civil works, purchase of stores or engagement of labour under outsourcing policy with effect from December 2014. The orders were reiterated and it was directed (April 2015) that no bifurcation of the estimates be done of similar nature of work, otherwise strict action will be proposed against the concerned officer for not obeying the Government instructions. The Principal Secretary to the Government of Haryana in Urban Local Bodies Department vide order No. 19/24/2015 dated 31 March 2015 stipulated that the cost of works should not be manipulated by subdividing them so as to make their pitch remain within the competency of the municipalities and provisions of PWD Code must always be complied with in letter and spirit.

Further, it was decided (June 2016) by the Government that the minimum threshold value of e-tendering in respect of procurement of stores/goods/works/services in the State would be ₹ one lakh in each case (without any splitting of order).

During audit of Municipal Commissioner, Faridabad (MCF) for the period from April 2018 to March 2019 conducted from 20 May 2019 to 19 July 2019, it was assessed that payment for 164 development works costing ₹ 7.85 crore²⁸ were made to Shri Satbir Singh contractor and his agencies with slight variation in name of the agency but having the same Taxpayer Identification Number (TIN) under the provision of Value Added Tax/ Central Sales Tax on each bill. The payments were made to the contractor for development works like (i) repair of drains (ii) stone metal supply (iii) cement concrete (CC) work in interlocking paver blocks having similarities in items executed, in equal quantities and equal amounts through bills having the same TIN No. (06822828315) and amounting below ₹ five lakh in each case as shown in the Table below:

²⁸ Paid vide voucher No. 532 to 672 dated 9 April 2018 (RTGS/Cheque No. 062899) and 829 to 852 dated 19 July 2018 (RTGS/Cheque No. 063907).

Sr. No.	Name & address of the Contractor	Number of Development Works	Amount (₹ in lakh)
1	M/s. Satbir Singh, Contractor, No. 545 Pravatia Colony, Faridabad, No. 545 Parvatiaya Colony, Faridabad	46	220.20
2	M/s. Satbira Construction Private Limited, 545 Pravatia Colony, Faridabad	28	134.09
3	M/s. Satvi Construction Private Limited, 545 Pravatia Colony, Faridabad	34	163.00
4	M/s. Satvi Precast Private Limited, 545 Pravatia Colony, Faridabad	28	134.09
5	M/s. Satvi Traders Private Limited, 545 Pravatia Colony, Faridabad	28	134.09
Total		164	785.47

It was further seen that these development works were got executed against quotations obtained from Shri Satbir Singh contractor and four slightly varied names of agencies as shown in the Table above. In 18 cases even the quotations were unsigned while the date of obtaining the quotation was missing in five cases. Further, it was also observed that no detailed estimate for these works were prepared and technical sanction was also not obtained. Only descriptions were given such as repair of drains in various places in different Wards, CC work, providing and laying of interlocking tiles, etc. in different sectors and the execution of these works was stated to have been recorded in Measurement Books (MBs) which were not produced to audit.

It is accordingly assessed in audit that transparency of E-tendering has been compromised through arbitrary allotment of work by sacrificing market competition by splitting works in contravention to the PWD codal provisions. Since the works were similar in nature which were executed within a gap of two to three months by all the divisions, detailed estimate of each of the works could have been prepared (by considering works of similar nature having same quantities to be executed as a single work) and the works could have been allotted by e-tendering mechanism. The department's logic that the work has been executed on Haryana Schedule of Rates is not tenable as innumerable works are being executed including those below schedule rates by the PWD as well as Haryana Urban Development Authority (now Haryana Shehri Vikas Pradhikaran). Thus, acceptance of quotation-based rates of work involving huge amounts to the tune of ₹ 7.85 crore has unduly benefitted the contractor.

Similarly, payment to the tune of ₹ 459.87 lakh was made vide Vr. No. 896 to 957 dated 11 August 2017 (RTGS/Cheque No. 056452) for 96 works and ₹ 447.90 lakh vide Vr. No. 55 to 154 dated 31 March 2017 (RTGS/Cheque No. 024610) for 100 works to the same contractor by keeping every bill below ₹ five lakh which were allotted on quotation basis and without approval/support of any detailed estimate.

The above audit observations with monetary value of ₹ 1,693.24 lakh (for 360²⁹ works/Bills) were issued in August 2019 to MCF through the Inspection Report (IR) for the year 2018-19. It highlighted the violation of the internal control mechanism with respect to ensuring the availability of fundamental documents like duly approved estimates, quality reports, measurement books *etc.* In addition to above, the accounting lapses with respect to payments to one and the same contractor by slight variation in the agency name were also highlighted. Moreover, paragraph 4.3.4.8 involving 320 works of ₹ 14.77 crore titled as 'Execution of works without e-tendering' has already been included in Annual Technical Inspection Report (ATIR) for the year 2017-19.

The aforesaid matter also came to the notice of the Councillors of various wards in the MCF when the information on these works was provided to the Councillors by the Accounts Branch of the MCF on 28 May 2020. The Councillors complained to the Commissioner, MCF that 388 works which were referred to in the letter dated 28 May 2020 were not actually executed in their wards. The Commissioner, MCF vide Office Order No.241 dated 9 July 2020 and No. 3190 dated 13 August 2020 constituted a committee comprising of Joint Commissioner (MCF), Chief Engineer (MCF), Zone Taxation Officer (HQ), Deputy Mayor and Councillor of Ward 26. The Committee concluded in March 2021 that the contractor and the concerned Junior Engineer (JE) failed to show even a single work out of the list of 388 works. The Committee also recommended suspension of the regular JE along with dismissal of services of another JE who was hired on outsourcing and registration of criminal proceedings against both. It was concluded by the Committee that the MCF had suffered a loss to the tune of ₹ 23.80 crore due to payment for these 388 works and recommended for detailed investigation from a specialised agency against all officers including the then Chief Engineer.

The issue was again analysed and pointed out in audit of Municipal Corporation, Faridabad (MCF) during audit (March to October 2021) conducted for the period April 2019 to March 2021. It was observed that even after constitution of the Inquiry Committee in May/July 2020, an amount of ₹ 7.70 crore was disbursed to this contractor for works shown to be executed in the similar way. Moreover, entries of this payment were also not recorded in the cashbook for the month and Bank Reconciliation for this period was not done and due to that the missing entry could not be brought on record. Expansion of coverage on this issue by audit revealed that payments to this contractor were made from April 2015 to June 2020 to the tune of ₹ 183.83 crore. Out of this payment, 375 vouchers for the payment of ₹ 104.30 crore were available in the Accounts Branch of the MCF while

²⁹ 360 works: ₹ 1,693.24 lakh = 164 works: ₹ 785.47 lakh + 96 works : ₹ 459.87 lakh + 100 works: ₹ 447.90

213 vouchers for the payment of ₹ 79.53 crore were not made available to audit by the accounting personnel of the MCF. In the intermediate period an incident of fire also took place in the accounts premises on 20 August 2020 but no assessment of records lost due to fire incident was made by MCF.

Thus, there was weak internal control mechanism in the MCF for dealing of payment of execution of development works and the authorities did not take effective measures even after the audit observation to the tune of ₹ 16.93 crore was issued in August 2019. The works were allotted to a contractor on quotation basis instead of the prescribed tendering process. The process was repeated and multiplied manifold by slight variation of name of the contractor but having same TIN Number and place of business. Some important fundamental documents required to be prepared by the Haryana PWD Code were not being prepared and the prescribed procedure of approval of estimate was not followed. Payments to the tune of ₹ 7.70 crore were made even after initiation of inquiry against the contractor. In absence of accounting checks like bank reconciliation, the possibility of the rise in figure of the questioned payments cannot be ruled out.

Thus, indifferent approach of the MCF in dealing with the execution of works is considered to be largely detrimental to its financial health as an amount of ₹ 183.83 crore was disbursed to the same contractor thereby indicating weak financial and internal control mechanism.

Recommendation: The State Government may consider initiation of a thorough investigation in the matter to fix responsibility and take action against the contractor as well as involved officers/ officials.

The matter was referred (4 May 2022) to Principal Secretary, Urban Local Bodies Department, Government of Haryana for reply/comments. The reply was awaited (August 2022).

Health and AYUSH Department

5.9 Cost over-run of ₹ 3.39 crore and infructuous expenditure of ₹ 48.89 lakh due to failure of internal controls in finalisation of site

Time over-run with three years delay in establishing Government Homoeopathic College and Hospital resulted in creating extra burden of ₹ 3.88 crore on the State exchequer apart from depriving the intended benefit to the General Public and students of the State.

Department of AYUSH, Ministry of Health and Family Welfare (MoH&FW), Government of India (GoI) launched National AYUSH Mission (NAM) during 12th Plan for implementing the same through all States/Union Territories.

The Health Minister (HM), Haryana (February 2018) directed the Directorate

of AYUSH Haryana, Panchkula for initiating the proposal for setting up the Government Homoeopathic College and Hospital (GHC&H) in Ambala district under NAM. A land measuring 11 acres at village Manglai was recommended by the Committee constituted for identification of suitable land for setting up GHC&H on 33 years lease at the rate of ₹ one per acre per year and same was approved (June 2018) by the Chief Minister (CM), Haryana.

Accordingly, the Development and Panchayat Department, Haryana approved (October 2018) and transferred (November 2018) the land in the name of Directorate of AYUSH Department for 33 years lease at the rate of ₹ one per acre per year at village Manglai for the construction of the college.

The Rough Cost Estimate of ₹ 46.89 crore for setting up of new GHC&H at village Manglai was administratively approved (February 2019) by Government of Haryana. The work of construction of GHC&H was allotted (March 2019) to a contractor³⁰ for ₹ 35.93 crore with stipulated time limit of 36 months from the date of start of the work. Secured advance of ₹ 2.99 crore³¹ on account of purchase of steel was released to the contractor. Further, an amount of ₹ 15.83 lakh was paid (September 2019) to M/s Continental Foundation Agency for preparation of structural design of the building of GHC&H. The contractor executed the work to the tune of ₹ 25 lakh at Manglai site but no payment was made.

Scrutiny of records (June 2021) of DG, AYUSH Department, Haryana, Panchkula revealed that when the work of construction was in progress at Manglai site, Haryana PWD (B&R) Department was asked to stop the work due to change of site in July 2019 on the verbal directions of HM as the site was assessed of being away from the city. Thereafter, a new committee recommended (December 2019) a site at Naggal which was not found (May 2020) suitable for the construction of the college. Finally, approximately eight acres of land was recommended by the DC, Ambala at village Chandpura for construction of GHC&H. The Municipal Council (MC), Ambala handed over possession of Municipal land to establish GHC&H to AYUSH Department in December 2020 with the condition that the department would have to deposit ₹ 3.39 crore on account of sale proceeds of the said land with MC, Ambala as per the decision taken in the cabinet meeting held in December 2020. The work on the new site was started in February 2021 by the same contractor. The department paid an amount of ₹ 3.39 crore to MC, Ambala on account of sale proceeds for the said land (March 2021).

It was further seen that the estimate was revised (May 2021) to ₹ 55.85 crore which was administratively approved by ACS, Health and AYUSH Department

³⁰ M/s Garg and Company.

³¹ ₹ 0.75 crore: July 2019 plus ₹ 2.24 crore: May 2019.

in July 2021. The Executive Engineer, Provincial Division No. I, Ambala Cantt intimated (January 2022) that after change of site, the same contractor has started executing the work on the new site *i.e.* Chandpura and an amount of ₹ 12.55 crore was paid to the contractor. However, only 10 *per cent* progress could be achieved as of December 2021. It was noticed that Haryana PWD (B&R) Department paid ₹ 8.06 lakh to the contractor for carriage of steel from old site to new site vide 9th Running Bill. Scrutiny of records further showed that Manglai was on the National Highway-73 and was more approachable to the public against Chandpura which is four kilometres away from National Highway-73.

Thus, improper planning, subjective decision for changing the site and failure of internal controls for not following the proper procedure, consequently delayed the execution of work which led to time overrun and resultantly cost overrun. The works executed at Manglai site and other expenses worth ₹ 48.89 lakh³² proved infructuous, also department had to bear extra cost of land worth ₹ 3.39 crore for new site which was available free of cost to the department at Manglai. Further, time over-run with three years delay to establish GHC&H resulted in creating extra burden of ₹ 3.88 crore on the State exchequer, apart from depriving the intended benefit to the General Public and students of the State.

During exit conference (May 2022), the Department stated that the site at village Chandpura was selected in public interest. Site was changed as per the note received from PS to Health Minister in December 2019. In this note, it was communicated that the site at Manglai was not approachable and convenient to patients, as such the site of Naggal may be selected. The contention of the department is not tenable as selection of the site at village Manglai was done after proper survey of land of three villages and found suitable for construction of college. Moreover, site of land in Manglai was made available to AYUSH Department free of cost, whereas for the latter site (Chandpura), the Department had to pay an amount of ₹ 3.39 crore to Municipal Committee.

Recommendation: The State Government may consider fixing responsibility for failure in applying the internal control in finalising the site for the construction of Government Homoeopathic College and Hospital.

³² Cost of work executed at Manglai – ₹ 25 lakh, Payment of structural design – ₹ 15.83 lakh & Carriage charges of shifting from old site to new site – ₹ 8.06 lakh (Total = ₹ 48.89 lakh).

Higher Education Department

5.10 Avoidable expenditure of ₹ 92.58 lakh due to irregularities in purchase of library books

Irregularities in purchase of library books by the Director, Higher Education Department worth ₹ four crore for 149 Government Colleges at a lower rate of discount resulted in avoidable expenditure of ₹ 79.96 lakh and additional loss of ₹ 12.62 lakh due to negligence in the purchase activity.

Industries and Commerce Department, Government of Haryana has been vested (August 2016) with the power to finalise the purchase of items valuing above ₹ one crore with High Power Purchase Committee in the State of Haryana. Guidelines for the selection of books and recipient libraries in the States have been prescribed by Raja Ram Mohan Roy Library Foundation (RRMRLF), Kolkata, alongwith the range of rate of discount³³ between 10 *per cent* and 35 *per cent* depending on the number of copies to be purchased. The same have been adopted by the Higher Education Department, Government of Haryana.

During the year 2019-20, an amount of ₹ four crore was allocated to the Director, Higher Education (DHE), Haryana (April 2019) under the scheme ‘Strengthening of Library Services in the Government Colleges’ (GCs). DHE constituted (April 2019) State Level Purchase Committee (SLPC) of five members³⁴ headed by the Principal, Government College, Panchkula for centralised purchase of books for all the libraries located in 149 GCs in the State.

The committee selected 252 book titles to be purchased for 149 colleges from eight publishers³⁵ in different quantities (August 2019). The Principal Secretary to Government of Haryana, Higher Education Department approved the purchase of books from these publishers with 10 *per cent* discount as per norms of RRMRLF, Kolkata on the justification that the billing was done college wise and number of copies of books being purchased for each college ranged from one to four copies. Purchase orders were issued (10 September 2019) to the publishers for supply of the selected books on the condition that the publishers were required to submit the delivery receipt from the concerned colleges to DHE before making payment. However, DHE issued instructions (24 September

³³ (i) 1-10 copies = 10 *per cent*; (ii) 11-25 copies = 15 *per cent*; (iii) 26-100 copies = 20 *per cent*; (iv) 101-200 copies = 25 *per cent*; (v) 201-500 copies = 30 *per cent* and (vi) 501-above = 35 *per cent*.

³⁴ (i) Principal, GC, Panchkula, (ii) Deputy Director, (iii) Principal, GC for Women, Sampla, (iv) Deputy Director Coordination (Local) and (v) Deputy Director Colleges-I (Local).

³⁵ (i) Omkar Books, (ii) Basant Publications, (iii) Ekant publication, (iv) International Publishing Corporation, (v) Vidyanidhi, (vi) Jeevant Prakashan, (vii) Pujya Prakashan and (viii) Green Books.

2019) to all the Principals of Government Colleges that centralised purchase for the books of all the GCs was made and supplied the books to GCs with the condition to issue a stamped receipt to the transporter and send the information regarding receipt of books to DHE by E-mail. It was also observed that the books were consigned from DHE office instead of from publishers as mentioned by the colleges while providing the status of books received. The Department paid (October 2019) full amount of ₹ 399.98 lakh to the publishers.

Audit observed (July 2021) that the department did not follow the instructions of Industries and Commerce Department regarding purchase of books worth ₹ four crore as the power to finalise the purchases valuing above ₹ one crore was vested with High Power Purchase Committee. It was further noticed that the SLPC selected the books without any notification/advertisement for wide publicity among publishers. Even SLPC did not prepare the minutes detailing the basis of selection of publishers as well as books. The system adopted by the department was not fair and competitive. Hence, the process of selection of publishers as well as books was arbitrary and lacked objectivity, fairness and transparency.

It was further observed that since this was a centralised purchase for 149 colleges and consolidated payment on behalf of all the colleges was made by DHE to the publishers, Higher Education Department was eligible for availing the discount ranging between 25 per cent and 35 per cent on bulk order of 63,772³⁶ copies of selected books. Availing lesser discount at the rate of 10 per cent resulted into excess expenditure of ₹ 79.96 lakh (*Appendix 5.2*).

Scrutiny of records further revealed that undue payment of ₹ 10.44 lakh was made to three³⁷ publishers on account of quoting extra price in the offered price list over original printed price of the books which was required to be verified by the State Level Purchase Committee during selection of books. Further, 48 colleges out of 149 colleges reported (October 2019 to February 2020) that books worth ₹ 2.18 lakh were found missing from the consigned books as mentioned in the list of books and no action against the publishers was taken by the department. Failure of the department to verify the receipt of books as per placed purchase order before making payment in October 2019 resulted into additional loss of ₹ 12.62 lakh (*Appendix 5.3*). Further, DHE issued undated certificate regarding receipt of the books in good condition by the colleges without verifying the same from all 149 colleges.

Thus, failure of the department to comply with Government instructions in purchase of high value of books and overall negligence in purchase activity

³⁶ Books eligible for 25 per cent discount: 22,201, Books eligible for 30 per cent discount: 21,903 and Books eligible for 35 per cent discount: 19,668.

³⁷ (1) Ekant publication, (2) Vidyanidhi and (3) Basant Publications.

resulted in avoidable expenditure of ₹ 92.58 lakh.

During exit conference (May 2022), the Department stated that the process of reconciliation, recovery from the publishers and fixing of responsibility in respect of departmental officials is being initiated. The Department further stated that Raja Ram Mohan Roy Library Foundation (RRMLRF) Kolkata's guidelines are being followed by the Higher Education Department. It was also assured to examine the matter whether purchase of books above ₹ one crore would fall under purview of High Power Purchase Committee because copyrights are involved and books purchased are likely to be property of concerned publishers.

Audit is of the opinion that the process of reconciliation should have been carried out at the time of purchase. The department followed RRMLRF guidelines but failed to comply with the provisions of discounts from publishers at the time of purchase.

Recommendation: Competent Authorities in the State Government may consider fixing the responsibility of the officers concerned for not complying with the instructions of purchase and for failure regarding non-obtaining of delivery receipt from each college before making payment. The Department may examine all similar cases of missing and overcharged books and take corrective action.

Sports and Youth Affairs Department

5.11 Irregular payment of cash award to ineligible sportspersons ₹ 41.30 crore

Non-adherence to the provisions of Haryana Sports and Physical Fitness Policy regarding disbursement of cash awards to sports-persons resulted in violation of the policy leading to irregular payment of cash award to ineligible sportspersons by the department.

Government of Haryana (GoH), Sports and Youth Affairs Department (SYAD) laid down (August 1993) the parameters for the grant of Cash Awards to outstanding Sports-persons for their excellent performance in the International and National Competitions in the recognised Sports disciplines. As per the Rules, cash awards are given to outstanding sports persons in nine³⁸ identified competitions conducted by different recognised International and National

³⁸ (i) Olympic Games, (ii) World Championship/Cup, (iii) Commonwealth Games/ Cup/ Championship, (iv) Asian Games, (v) Asian Championship/Cup, (vi) National School Games/Championship, (vii) All India Women Sports/Festival/Rural Sports Tournaments/Competitions, (viii) All India Civil Service Tournaments and (ix) All India Interstate Board/Departments/Tournaments.

Sports bodies. Haryana Sports Policy was revised with introduction of nine³⁹ new identified competitions in the year 2001 which was further revised in the year 2009. Para 26 of Haryana Sports and Physical Fitness Policy, 2015 introduced three⁴⁰ new competitions under Youth category along with revision in cash award incentives. Junior and Sub-Junior category competitions were not included in all above policies.

Further, Government of Haryana, SYAD notified (September 2019) the Cash Award Scheme, applicable from April 2017, for grant of cash awards to Junior and Sub-junior categories inclusive of Youth and Cadet Categories tournaments for International and National competitions which were not a part of prior sports policies of Government of Haryana.

The procedure as followed by the department provides that the applications are invited from sportsperson relating to the concerned district through newspapers. After scrutiny of these applications by concerned District Sports & Youth Affairs Officer (DSYAOs) and then by the Directorate level Committee, recommendations are sent to the State Government for grant of Cash Award to eligible sportspersons.

Scrutiny of records of the Director, SYAD, Haryana and eight⁴¹ district level offices out of 22 DSYAOs (April 2021 to December 2021) revealed that the department paid cash awards amounting to ₹ 41.30 crore to 4,256 individuals (in the whole State) during the period from 2004-05 to 2015-16 under Junior and Sub-junior Categories which also included Youth and Cadet Categories for International and National competitions conducted by recognised Sports bodies as details given in **Table 5.11.1**. These categories (Junior and Sub-junior) were not eligible for any Cash Award Scheme prior to the notification issued in September 2019 making them eligible from 2016-17 onwards.

³⁹ (i) National Championship, (ii) National/South Asian Games (SAF), (iii) All India Inter University Tournaments/Championship, (iv) International Veteran Athletics Championship (Age Group 45-50 years), (v) National Veteran Athletics Championship (Age Group 45-50 years), (vi) Special Olympic (International) for Mentally/Physically Challenged Sports Persons, (vii) World Marathon for Mentally/Physically Challenged Sports Persons, (viii) Asian/Commonwealth Games for Mentally/Physically Challenged Sports Persons and (ix) Special Olympic (National) for Mentally/Physically Challenged Sports Persons.

⁴⁰ (i) Youth Olympic Games, (ii) Youth Asian Games, and (iii) Youth Commonwealth games.

⁴¹ (i) Bhiwani, (ii) Hisar, (iii) Jhajjar, (iv) Jind, (v) Kaithal, (vi) Kurukshetra, (vii) Sonapat, and (viii) Rohtak

Table 5.11.1: Details of Cash Awards paid to ineligible sportspersons for the period 2004-16**(₹ in crore)**

Period	Junior Players		Sub-junior Players		Youth players		Cadet players		Total	
	In Nos.	Amount	In Nos.	Amount	In Nos.	Amount	In Nos.	Amount	In Nos.	Amount
2004-05 to 2015-16	2467	23.15	1494	14.17	187	2.19	108	1.79	4,256	41.30
Total	2467	23.15	1494	14.17	187	2.19	108	1.79	4,256	41.30

Audit scrutinised 480⁴² cases out of 4,256 cases (2004-05 to 2015-16) under Junior and Sub junior categories which was provided by eight selected district level offices for examining the records of the claims of the ineligible sportspersons.

Audit observed that out of eight selected DSYAOs, DSYAO, Kurukshetra and Jhajjar (August 2021 and December 2021) did not produce any records related to 269 ineligible individuals to whom department paid the cash award during 2004-05 to 2015-16 on the plea of flooding of the office building and fire incident in February 2016. Further, it was noticed that out of balance 211 cases, only 90 application forms were produced to audit in balance six selected districts on the ground that records were destroyed due to flooding water, termites and roof leakage.

Out of 90 application forms produced to audit, 22 cases were not certified by two⁴³ DSYAOs and in 15 cases relating to three⁴⁴ DSYAOs application forms were not certified by Sports Federation. It was further observed that in nine⁴⁵ cases, the concerned Principal of the school did not attest the photo of the claimant and in one case, signature of the claimant was missing (DSYAO, Jind). Hence, authenticity of claims could not be assessed in audit.

DSYAOs recommended and forwarded the names of sportspersons without verifying the admissibility of each individual claimant against the participation in the identified competition as notified in Sports and Fitness Policy. Further, committee constituted at Directorate level certified the eligibility and entitlement of ineligible sportsperson for distribution of the cash awards. Based on the recommendations at Directorate level, Government of Haryana, SYAD sanctioned the cash awards for disbursement to ineligible sportsperson during the period 2004-05 to 2015-16.

Hence, cash awards for Junior and Sub-junior Categories was not admissible as per Haryana Sports and Physical Fitness Policies prior to the year 2016-17. The

⁴² 480 cases = (i) Bhiwani: 33, (ii) Hisar: 36, (iii) Jhajjar: 32, (iv) Jind: 48, (v) Kaithal: 22, (vi) Kurukshetra: 237, (vii) Sonapat: 36, and (viii) Rohtak: 36.

⁴³ Jind: 19 and Rohtak: 3.

⁴⁴ Bhiwani: 1, Kaithal: 3 and Jind: 11.

⁴⁵ Bhiwani: 2, Kaithal: 1, Jind: 3, Rohtak: 2 and Sonapat: 1.

Department paid an amount of ₹ 41.30 crore to ineligible individuals during that period.

In reply, the Additional Chief Secretary, Sports and Youth Affairs Department admitted (April 2022) the facts and stated that the department paid cash award to junior and sub-junior categories tournaments for corresponding tournaments mentioned in different Sports Policies for the period 2004-05 to 2015-16 although junior and sub-junior tournaments were not mentioned in these policies. However, this situation arose as policy was silent that cash award was not to be given for junior and sub-junior tournaments. This fact/anomaly was also brought to the notice of Hon'ble CM and Hon'ble CM on 15 June 2018 ordered to frame policy of giving cash award to junior/sub-juniors/ youth category athletes. Further, it was also stated that reply to observations regarding irregularities found in certifying the forms will be submitted to audit after examining the issue. Final action was awaited (June 2022).

Recommendation: The State Government should fix the responsibility of concerned officers for the violation of Government Sports Policy which resulted in irregular payment of cash award to ineligible sportspersons.

Technical Education Department

5.12 Inadmissible payment due to irregular implementation of Career Advancement Scheme- ₹ 14.75 crore

Promotion of faculty members under Career Advancement Scheme in violation of University Grants Commission regulations by adopting deviated Academic Performance Indicator based Performance Based Appraisal System resulted in inadmissible payment of pay and allowances of ₹ 14.75 crore.

Government of Haryana (GoH), Technical Education Department (TED) introduced (January 2004) Career Advancement Scheme (CAS) for revision of pay scale of teachers in Government funded Engineering colleges with effect from July 1998. The University Grants Commission (UGC) vide its regulation on minimum qualification for appointment and other service conditions of university and college teachers for the maintenance of standards in Higher Education (June 2010), specified the selection procedure for promotion of teachers of Universities under CAS. UGC regulations were amended from time to time (between June 2013 and July 2016). Para 6.0.2 of these regulations (as amended in June 2013) provides for incorporating the Academic Performance Indicator (API) based Performance Based Appraisal System (PBAS), a scoring system proforma, at the institutional level for universities and colleges to be followed transparently and with strict adherence to the prescribed API criteria.

The regulations also permitted the Universities to adjust the weightage, without changing the minimum API score requirement, in case of requirements specific to the concerned institution(s). Proposed Scores for API in CAS promotions was categorised into three⁴⁶ categories. API parameters were prescribed for assessing the merit and credentials of teachers on the basis of past performances in educational fields. This is assessed in Audit that activities were to be detailed and adjustment of weightage for API parameters within a category was permitted *i.e.* maximum and minimum score of API within a category could not be altered and new API parameters could not be added and existing API parameters could not be replaced with new parameters.

It was envisioned that these prescribed API criteria would lead to an enhancement of quality of education by promoting the eligible candidates based on their merit and contribution.

The Government of Haryana, Higher Education Department decided (July 2011) to adopt the UGC regulations of June 2010 and issued orders on CAS regulations which would be effective from the date of notification. Para 9.3 of these regulations provides that a teacher may submit application for promotion under CAS with three months in advance of the due date. In order to avoid delays in holding Selection Committee meetings in various positions under CAS, the University/College was required to complete the process of selection within six months from the date of application. Further, Para 9.4 of these regulations states that candidates who do not fulfill the minimum score requirement under the API Scoring System will have to be re-assessed only after a minimum period of one year⁴⁷. The Government of Haryana, TED also decided (February and March 2012) to adopt the UGC regulations as per above instructions of Higher Education Department.

Scrutiny of records of Deenbandhu Chhotu Ram University of Science and Technology (DCRUST), Murthal, Sonapat (July-August 2021) and Guru Jambheshwar University of Science and Technology (GJUS&T), Hisar (September-October 2021) revealed the following:

Deenbandhu Chhotu Ram University of Science and Technology

DCRUST constituted (July 2012) a committee for devising a proforma for promotions under CAS after receipt of guidelines from the State Government.

⁴⁶ Category I: Teaching, Learning and Evaluation related Activities: Category II: Co-curricular, extension and Professional Development related activities: Category III: Research and Academic Contributions.

⁴⁷ It is assessed to imply that in case a teacher who was assessed as unfit against a due date, his application if received prior to completion of one year from due date, his case will be considered only after one year from the previous due date when he was found unfit. It is also assessed that in case he applies against a due date after one year from that date he/she would be eligible against that date.

The Executive Council (EC) in its 17th meeting approved (September 2012) the proforma devised for promotions under CAS but was not approved by the Government. The University (DCRUST) referred (February 2015) this matter again to TED for approval but was not approved by the Government (April 2015) who instead instructed (April 2015) that CAS benefit as granted by modifying proforma was in violation of UGC instructions and thus, should be withdrawn and responsibility should be fixed for the lapse. Further, the Government instructed (April 2015) to all the technical universities of the State for implementing the amended UGC regulations.

After being objected in April 2015 by the Director, TED on API proforma, the Executive Council in its 25th EC meeting (March 2016) decided to adopt the notified norms for evaluating the scores of APIs which would be applicable with effect from 2 March 2016. However, Audit observed that DCRUST has not been following these norms. It was further seen that the Vice Chancellor, DCRUST, devised a new proforma after taking inputs from Kurukshetra University and GJUS&T which was utilised for promotions under CAS and had again requested (November 2015 and February 2016) the Government to approve the new devised proforma. However, this was also not agreed to by the Government since the promotions under CAS were not done on the proforma prescribed by the State Government.

Guru Jambheshwar University of Science and Technology

The Executive Council (EC) of GJUS&T, Hisar approved (March 2012) the API based PBAS proforma as devised by the constituted committee of the University.

It was observed that the Director, TED shared (17 March 2022) its concern with the GJUS&T University over irregularities in the implementation of CAS in which the department pointed out that GJUS&T, Hisar in its 71st EC meeting (December 2015) considered the implementation of amended UGC guidelines of June 2013. After that the University corrected the proforma by removing the extra activities in Category-III but kept the Category I and II unchanged. Besides, the University did not approach the Government for the approval of the revised Proforma.

Audit observed that both the universities instead of adjusting the weightages within prescribed API parameter score altered the maximum API score defined for that category leading to deviation in maximum API scores as prescribed in UGC guidelines in Category I and II as detailed in **Appendix 5.4**. Further, both universities also assigned additional scores against the prescribed API parameter in excess of that assigned in UGC guidelines under Category III. New API parameters other than prescribed in UGC guidelines in Category III

were adopted by these universities and existing API parameters were also modified in Category III (*Appendix 5.4*).

Deviation in maximum API scores in Category I and II and further adoption of new and modified API parameters in Category III led to dilution of the performance parameters set for the evaluation of the faculty members. This dilution is assessed to carry the risk of candidate who would have failed to achieve the minimum API score being enabled to get promotion under CAS without being assessed as per prescribed parameters. The objectives of UGC and TED of using CAS as an incentive in achieving and maintaining reasonable standards of quality in the education system is assessed to have been consciously compromised by the Universities.

Besides, audit also observed that there was delay in holding meetings of Screening cum Evaluation Committee (SEC) for promotion cases under CAS. Delay on the part of universities in initiating the process of screening caused 78⁴⁸ cases of promotion to be processed with delay beyond the prescribed time of six months ranging from two months to 37 months. In three cases, delay ranged from 32 to 37 months. SEC meeting was held in the year 2017 after 2013 with a gap of four years in DCRUST. The Committee in DCRUST had not re-assessed eligibility of disqualified candidates after a minimum mandated period of one year. In four cases, after disqualification in the SEC meeting held in the year 2013 due to less API score, the University reconsidered the eligibility conditions only in the year 2017 and did not re-assess the eligibility in the intervening period of four years, thus, depriving the intended benefits under this scheme to the eligible candidates in time. Further in one case, audit observed that the eligibility for the promotion was from the year 2009 however, due to disqualification on the basis of deviated proforma in the year 2013, re-assessment was done in the year 2017 impacting inter se seniority of this candidate.

Furthermore, between the period September 2009 to June 2020, 234 faculty members of DCRUST and GJUS&T were promoted under CAS based on irregularly modified API based PBAS proforma in violation of the UGC guidelines which compromised the objectives of introduction of CAS by UGC and Technical Education Department (TED) as well as resulted in inadmissible payment of pay and allowances of ₹ 14.75 crore from the period September 2009 to December 2021.

The Director General, TED replied (February 2022) that no action regarding DCRUST's request for approval of new devised proforma for promotions under

⁴⁸ No. of cases in which delay ranged from one to six months:40, No. of cases in which delay ranged from six to 15 months :14 and No. of cases in which delay ranged from 15 months to 37 months: 24.

CAS had been taken by Government so far. The Department did not take any follow-up action for seeking the compliance of their order of April 2015 from all the technical universities.

During exit conference, the Additional Chief Secretary to GoH, TED (April 2022) apprised that in response to Government instructions (April 2015) regarding withdrawal of CAS benefits, 16 number of faculty members had challenged that direction in the Hon'ble High Court vide CWP No. 11921 of 2015. High Court in its interim orders (May 2015) clarified that if petitioners were to be reverted then same may be kept in abeyance till the next date of hearing. The matter is still sub-judice. Reply is not tenable as 117⁴⁹ faculty members out of 234 faculty members were conferred benefits after Government orders in April 2015.

Further, as per legal opinion obtained (May 2022) in Audit, the petitioners in CWP No.11921 of 2015 were granted interim relief in May 2015 till next date of hearing. The Court specifically extended the interim relief till April 2016 and further extended till August 2016 but thereafter the court did not extend specific interim relief in all its subsequent orders till April 2022 *i.e.*, the last date of hearing. The legal opinion also highlighted the orders of Supreme Court in its judgement in the case of *Asian Resurfacing of Road Agency Private Limited and Ors. vs. Central Bureau of Investigation AIR 2018 SC 2039* held that any interim relief which is granted by Hon'ble High Court will end after expiry of six months from the date of such order or unless in exceptional cases stay was granted by speaking order. Thus no stay in withdrawal of benefits held irregular due to institutions of TED is seen to be in existence in respect of 16 faculty members.

During the meeting with Registrar, GJUS&T, Hisar (June 2022), the Registrar, GJUS&T, Hisar apprised that the bifurcation of activities under Category I, II proforma were permitted by UGC in the API proforma. However, observation regarding the scores assigned to activities more than UGC prescribed score under that activity would be considered for review and proforma, if required, will be examined by the University. The addition of additional parameters and extra score awarded under Category-III proforma was also discussed and Registrar assured to get these examined for rectification, if required.

Registrar, GJUS&T, Hisar (August 2022) replied that in category I&II, the proportionate marks are being derived as ratio of score obtained in sub-activities to maximum score of all sub-activities either at activity level or parameter level in the university and will be followed from now onwards. In category III, the maximum score as per UGC guidelines will be followed from now onwards.

⁴⁹ 117 faculty members = 23 members of DCRUST + 94 members of GJUS&T.

University after accepting the facts amended and modified the proforma for future purpose and submitted the facts to the Technical Education Department and further at the instance of audit, University constituted a committee in July 2022 for examining the appropriateness of promotion of teachers under CAS strictly and all promotions under CAS were found in order. Audit is of view that approval of this proforma is still pending with Government. Further, the scaling down of scores proportionally under category I, II and III could not be assessed in audit based on reply.

Recommendation: All cases should be examined for appropriateness as per decision of Government for eligibility. Besides, State Government should also consider fixing the responsibility of the individuals/officers concerned who facilitated irregular promotion of faculty members under CAS in violation of prescribed provisions in UGC regulations and Government directions.

Finance Department

5.13 Irregularities in payment of pensioners/family pensioners

Excess/irregular payment of ₹ 9.56 crore out of the Consolidated Fund of the State on account of payment of pension/family pension reflects deficiencies on the part of State Bank of India as well as Treasury and Accounts Department.

Haryana Civil Services (Pension) Rules, 2016 (HCS Pension Rules) define “Pension” as a recurring or non-recurring payment made to a Government employee after retirement, in lieu of qualifying service rendered by him subject to future good conduct. The complete process of assessment, sanction, authorisation and disbursement of pension primarily involves three service providers i.e. the Pension Sanctioning Authority (PSA), the Pension Authorising Authority (PAA) and the Pension Disbursing Authority (PDA). Once the pension papers have been received from the PSA, the Accountant General (Accounts & Entitlement), Haryana i.e. the PAA is required to apply the requisite checks and assess the amount of pension and issue the Pension Payment Order (PPO) or Family Pension Payment Order (FPPO), to the Treasury Officer (who is the PDA) amongst others in whose jurisdiction the payment of pension/family pension is to be made.

An alternative for the concerned pensioner is to choose to draw the pension from any of the agency bank authorised by the Reserve Bank of India (RBI) and chosen by the Government of Haryana for disbursement of pension. This *inter-alia* includes the State Bank of India (SBI) and significant number of Pensioners/Family Pensioners of the Haryana State Government are on board with the SBI in the form of operational accounts.

The amount of monthly pension, including relief on pension sanctioned by Government from time to time, is paid by the Centralised Pension Payment Centres (CPPC) by credit to the bank account of the pensioner already opened with the paying branch. The CPPC is also responsible for calculation of pension, to carry out effect of change in Dearness Relief (DR), medical allowance, revision of pension and calculation of arrears of pensions, etc.

The SBI has one such CPPC at Panchkula, which handles the bulk of pension payments of the Haryana Government Pensioners drawing pension from SBI branches. Audit of the CPPC, SBI, Panchkula was conducted (June 2021 to September 2021). Following observations were noticed during audit:

A. Irregular payment of pension to retirees of Boards/Corporations & other States

- (i) As per the internal arrangement of CPPC Panchkula, the Pensioners/Family pensioners are divided into categories and Separate Group IDs are allotted to each pensioner of the State Government/Centre Government/Board/Corporations of Centre or State Government. Further, the sub-category under the Group_ID specifies the Boards/Corporations to which the category belong.

It was noticed in 36 cases, that categories (Group_ID) of pensioners who have retired from Boards/Corporations of State of Haryana and Departments of Central Government were incorrectly shown as pensioners retired from Government of Haryana.

Since these pensioners had not retired from the Government of Haryana, they were not covered under the criteria of government employees under the HCS (Pension) Rules, 2016 and thus, their pension drawal from the Consolidated Fund of Haryana was irregular. Thus, incorrect categorisation of these pensioners as pensioners retired from Government of Haryana led to irregular payment of ₹ 5.70 crore as pension/family pension during the period from August 1983 to April 2021.

The CPPC (SBI) intimated (May 2022) that the categories of all the 36 pension accounts have been rectified and the amount involved has been claimed from the respective Corporation/Boards and deposited to the respective Treasuries through their Focal Point branches.

- (ii) Also, in 12 cases, it was seen that pensioners of States/Union Territories other than Haryana State Government were incorrectly shown under the Haryana Government pensioners/family pensioners category. Thus, incorrect categorisation of these 12 pensioners as pensioners retired from Haryana Government led to irregular payment of ₹ 2.36 crore as

pension/family pension from the Consolidated Fund of the State during the period from August 1981 to August 2021.

The CPPC (SBI) intimated (May 2022) that the categories of 10 pension accounts have been rectified and the revised scrolls have been submitted to the concerned Focal Point branches for onward submission to the respective Treasuries.

B. Payment of enhanced family pension to family pensioners beyond prescribed period

Enhanced family pension is admissible to the eligible family member(s) –

(a) up to ten years, equal to fifty *per cent* of last emoluments for pension to the family member of a deceased or disappeared Government employee who dies or disappears while in service; or

(b) up to seven years or the date of attaining the age of sixty five years of the deceased pensioner had he been alive whichever is earlier, equal to the pension admissible at the time of death after retirement; or

(c) up to seven years or the date of attaining the age of sixty five years of the disappeared pensioner had he been present, whichever is earlier, equal to the pension admissible at the time of disappearance;

It was noticed that enhanced family pension in 18 cases was disbursed beyond the period prescribed under the HCS (Pension) Rules, 2016. This resulted in an excess payment of ₹ 84.14 lakh to the family pensioners during the period from November 2010 to August 2021.

CPPC (SBI) intimated (May 2022) that the basic pension has been rectified in all the cases. An amount of ₹ 14.05 lakh has since been recovered and followed up with the pensioners for recovery of remaining amount in lump sum. Meanwhile, recovery by way of 1/3rd of the pension amount per month has been initiated in the pension accounts.

C. Payment of family pension to eligible son/daughter of pensioners beyond the prescribed age

It was noticed in 10 cases that family pension was paid to the eligible son/daughter beyond their prescribed age of 25 years. This resulted in an excess payment of ₹ 66.47 lakh to eligible son/daughter of pensioners during the period from August 2009 to July 2021.

CPPC (SBI) intimated (May 2022) that pension has already been stopped in all the 10 cases. Further, an amount of ₹ 0.25 lakh has since been recovered and followed up with the pensioners and concerned pension paying branch for recovery of the remaining amount.

An exit conference was held (June 2022) with the Finance Department where representatives of CPPC were also present.

The Finance Department assured steps to improve the internal control processes including developing a roadmap and agreement with Banks in respect of working and monitoring of CPPC(s). It was also assured that a Management Information System (MIS) in form of database of all State Pensioners will be developed. Additionally, ongoing efforts to onboard the two banks {Punjab National Bank (PNB) and SBI} on the IT platform related to pension matters of the State Government would be expedited.

The excess/irregular payment of ₹ 9.56 crore out of the Consolidated Fund of Haryana, continuing since August 1981 till August 2021 reflects deficiencies on part of both the Agency Bank *i.e.* SBI as well as the Treasury officer(s) working under the Treasury and Accounts Department and remedial measures communicated reflect part recovery of overpayment identified during audit but do not reflect measures to strengthen/improve internal controls which will cover the entire payment process as well as other payments not covered in sample selected and audited.

Food, Civil Supplies and Consumers Affairs Department

5.14 Loss due to less claim and delay in submission of claims of Central Assistance from Government of India

Loss of ₹ 1.20 crore due to less claim of Central Assistance from Government of India (GoI) and interest loss of ₹ 7.30 crore due to delayed claims of Central Assistance.

Government of India (GoI) had notified (August 2015) the Food Security (Assistance to State Government) Rules, 2015 under the National Food Security Act 2013 (NFSA). As per Rule 6 (1) of the Food Security (Assistance to State Government) Rules, 2015, the Central Government shall assist the State Government to meet the expenditure incurred by it on intra-state movement, handling of food grains and margins paid to Fair Price Shop (FPS) dealers, for distribution of food grains allocated for the entitled persons and households.

Further, as per Rule 7 (1), the norms of Central Assistance (CA) (in ₹ per quintal) for intra-state movement and handling charges at the rate of ₹ 65 per quintal, Fair Price Shop (FPS) dealers margin basic at the rate of ₹ 70 per quintal and FPS dealers additional margin for sale through point of sale device at the rate of ₹ 17 per quintal to the State Government and share of the Central Government shall be 50 *per cent*.

During audit (July 2021) of office of the Director, Food, Civil Supplies and

Consumer Affairs Department, Haryana, it was noticed (July 2021) that GoI has released (April 2021) Central Assistance of ₹ 82.06⁵⁰ crore for the period from 2017-18 to 2019-20 against the claims of payment of intra-state movement and handling charges (₹ 35.56⁵¹ crore), FPS dealers' basic margin (₹ 38.30⁵² crore) and FPS dealers additional margin (₹ 8.20⁵³ crore) under NFSA scheme.

(i) Less claimed Central assistance of ₹ 1.20 crore

During the scrutiny of claims submitted to GoI, it was observed that as per e-PDS portal 64.48 lakh quintal foodgrains has been distributed during April 2018 to March 2019 through e-pos machine whereas department had submitted claim of 62.90 lakh quintals food grains for the year 2018-19 which was on the lesser side by 1.58 lakh quintal. Therefore, due to non-updating the data of sale points/FPSs the department had claimed less Central assistance of ₹ 1.20 crore for 1.58 lakh quintal food grains (*Appendix 5.5*).

On being pointed out, the department stated (November 2021) that due to technical problems on portal, the data was not updated and claim was submitted as available on portal at that time.

During exit conference (April 2022), the department stated that the revised claims for less quantity for the year 2018-19 was submitted to GoI which is still awaited.

(ii) Interest loss of ₹ 7.30 crore due to delay in submission of claims for Central Assistance

It was noticed that claims of Central Assistance of ₹ 135.42 crore for the period from 2017-18 to 2019-20 has been submitted to GoI by the department with delay ranging from 4 to 11 months which has led to interest loss of ₹ 7.30 crore as per details given in *Table 5.14.1*.

Table 5.14.1: Detail of claims of Central Assistance submitted by the department

Year	Amount of claim (₹ in crore)	Month in which claim may be submit	Month in which claim actually submitted	Delay in submission of claims (in months)	Rate of interest of State Borrowings	Loss of Interest (₹ in crore)
2017-18	41.34	April 2018	April 2019	11	8.10	3.07
2018-19	42.45	April 2019	September 2019	4	8.81	1.25
2019-20	5.77	April 2020	August 2020	3	8.31	0.12
	45.86	April 2020	February 2021	9	8.31	2.86
Total	135.42					7.30

Note: There was a provision for advance claim in policy. However, after completion of financial year, the department has to raise the claim at the earliest to safeguard its financial interest. Therefore, period of delay was calculated after gap of one month.

⁵⁰ ₹ 82.06 crore=2017-18: ₹ 36.59 crore + 2018-19: ₹ 41.18 crore + 2019-20: ₹ 4.29 crore.

⁵¹ ₹ 35.56 crore=2017-18: ₹ 17.62 crore + 2018-19: ₹ 17.94 crore.

⁵² ₹ 38.30 crore=2017-18: ₹ 18.97 crore + 2018-19: ₹ 19.33 crore.

⁵³ ₹ 8.20 crore= 2018-19: ₹ 3.91 crore + 2019-20: ₹ 4.29 crore.

Out of ₹ 89.56⁵⁴ crore, claims of ₹ 82.06 crore were received on 22 April 2021 and claim of ₹ 45.86 crore was not received. On being pointed out by audit, the department stated (November 2021) that GoI had not explained the reasons for sanctioning less claims than the claims submitted.

During exit conference (April 2022), the department stated that advance claims of Central Assistance for the year 2017-18 to 2019-20 had been submitted, but GoI had not issued the advance claims of Central Assistance. Reply is not acceptable as advance claims were not released due to non/delayed/ improper utilisation certificates for previous years by the department.

Thus, due to less claim of Central Assistance, the department suffered a loss of ₹ 1.20 crore and loss of interest of ₹ 7.30 crore due to delayed claim of CA (2017-18 to 2019-20).

Recommendation: The department should develop proper mechanism to reconcile the actual distribution data before submitting it to GoI for claiming Central Assistance.

Forest Department

5.15 Loss of revenue alongwith avoidable extra expenditure thereof

Indifferent approach of the Forest Department towards disposal of confiscated Red Sanders Wood (RSW) resulted in loss of revenue of ₹ 22.12 crore and an avoidable expenditure of ₹ 96.14 lakh on the watch and ward of confiscated RSW.

The Red Sander Wood (RSW) species is highly endemic and is found only in few districts of Andhra Pradesh and listed in Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and also listed in International Union for Conservation of Nature (IUCN) thereby prohibiting its domestic trade without proper legal procurement and international trade in log forms. The RSW is included (April 2005) in the list of perishable items and is subject to depreciation with passage of time. Section 58 of the Indian Forest Act, 1927 provides that a Magistrate may direct the sale of any property seized under Section 52 D which is subject to speedy and natural decay and may deal with the proceeds as he would have dealt with such property if it had not been sold.

The Ministry of Environment, Forests and Climate Change instructed (August 2014) that confiscated timber and timber products should be disposed off through open auction/sealed tender through the respective State Forest Department.

Scrutiny of records of the Principal Chief Conservator of Forests (PCCoF),

⁵⁴ ₹ 89.56 crore = ₹ 41.34 crore + ₹ 42.45 crore + ₹ 5.77 crore.

Haryana, Panchkula (June-July 2021) revealed that in 13 cases⁵⁵, 175.68 tonne of seized RSW valuing ₹ 22.12 crore (**Appendix 5.6**) was handed over to Haryana Forest Development Corporation (HFDC), Gurugram, Divisional Forest Officers (DFOs) Gurugram, Rewari and Sonapat by Special Environment Court (SEC), Faridabad and Kurukshetra (between September 2014 and May 2016). Further, it was found that Forest Department had incurred the expenditure of ₹ 96.14 lakh on the watch & ward and storage of RSW during the period 2015-16 to 2021-22 (**Appendix 5.7**).

On the directions of Environment Court, Faridabad, HFDC carried out an auction and could only sell RSW worth ₹ 25.47 lakh in 2013. Thereafter, HFDC requested the Court to allow manufacture of Value Added Products (VAPs), which was accepted by the Court. HFDC, Gurugram started manufacturing (April 2016), the VAPs from 30.49 tonne confiscated RSW after acceptance of the application by the SEC. Due to lack of demand in local market, HFDC initiated (February 2017) a proposal for manufacturing VAPs for export (on demand basis). Forest and Wildlife Department, Government of Haryana (GoH) approved the proposal (April 2017) of PCCoF, Haryana in July 2017 to use it for VAPs.

HFDC was able to utilise only one tonne of RSW and expressed its inability to utilise the remaining stock (September 2018) even after 14 months of the above decision. Further, based on the recommendations of HFDC, PCCoF Haryana sought (October 2018) permission from GoH to transfer the seized RSW to Government of Andhra Pradesh (GoAP), Forest Department on mutually agreed conditions of sharing of sale proceeds in 60:40 between GoAP and GoH. The permission was granted by GoH in January 2019 and the proposal referred to GoAP in January 2019. However, the matter was not pursued by Forest Department, GoH with Forest Department, GoAP. Further, it was found that 3.603 tonne RSW valuing ₹ 43.23 lakh⁵⁶ lying with HFDC was stolen in March 2019. However, Insurance Company did not accept the claim (March 2020) due to non-closure of case by police authorities and for not finding any sign of forcible entry in the theft.

The Forest Department, GoAP refused (January 2020) to accept the proposal of GoH expressing unwillingness to share any sale proceeds of confiscated RSW with GoH. This condition of GoAP was further declined by GoH (August 2020).

After a delay of five years, the Forest Department, GoH constituted (March 2021) a committee⁵⁷ for examining the statutory provisions and auction rates in

⁵⁵ HFDC, Gurugram: six cases, 45.730 tonne; DFO, Gurugram: four cases, 76.894 tonne; DFO, Rewari: one case, 46.51 tonne and DFO Sonapat: two cases, 6.545 tonne.

⁵⁶ 3.603 tonnes at the rate of ₹ 12 lakh per tonne (rates of AP for Grade 'C' in 2016).

⁵⁷ Committee comprising one Chairman and three members.

other States for disposal of seized RSW. The Committee recommended (June 2021) that GoH should take immediate action for the disposal of confiscated RSW through an auction process after following due procedure of taking permission from SEC. However, this delayed effort of the department could not compensate for the loss of revenue to the State Exchequer.

The Additional Principal Chief Conservator of Forests (Forestry), Haryana, Panchkula replied (May 2022) that DFOs, Gurugram, Rewari and Sonapat had filed applications before respective Environment Courts to seek permission for auction of the RSW. The next date of hearing in the matter of Gurugram, Rewari and Sonapat is 17 May 2022, 11 July 2022 and 24 May 2022 respectively. The decision regarding auction of seized RSW would be taken as directed by the SEC.

Further, audit observed that in four cases, the department had not filed applications before the concerned SEC for seeking permission for disposal of RSW, in eight cases applications were filed with delay ranging between 69 and 89 months. In one case, the permission for auction of RSW was granted by SEC (August 2016) but the department had not auctioned the RSW even after lapse of more than 68 months.

Indifferent approach of the department towards non-disposal of confiscated RSW from the year 2014 to 2016 amounting to ₹ 21.57⁵⁸ crore by Forest Department, the stock of 171.08⁵⁹ MT of Red Sanders Wood was lying with HFDC and Forest Department from 2015-16. The department had failed to take concrete action for disposal of confiscated RSW which resulted in non-realisation of revenue of ₹ 21.57 crore and avoidable expenditure of ₹ 96.14 lakh on the watch and ward of confiscated RSW.

During the Exit conference (May 2022), the fact and figures were confirmed by the Department. The Department reiterated the reply of Additional Principal Chief Conservator of Forests (Forestry), Haryana, Panchkula. Further, Additional Chief Secretary to Government of Haryana directed the officers of Department that the matter may be taken up with Andhra Pradesh Government regarding disposal of confiscated RSW after getting permission from Environment Courts. The confiscated RSW may be handed over to the Forest Department of Andhra Pradesh for disposal. The expenditure incurred on watch and ward, insurance and transportation, etc. on the storage of these undisposed RSW may be sought from them. Final action was awaited (May 2022).

Recommendation: The State Government may consider for taking steps for urgent decision/ hearing by the SEC to dispose of the RSW in a time bound manner.

⁵⁸ ₹ 21.57 crore = Total amount of seized RSW: ₹ 22.12 crore – Stolen & VAP RSW: ₹ 0.55 crore.

⁵⁹ 171.0757 MT = Total Seizure 175.6787 MT – Stolen 3.603 MT – VAP (Sold) 1 MT.

Home Department

5.16 Irregular expenditure on ineligible Home Guard Volunteers

Irregular decision of Commandant General for enhancement in the retirement age of Home Guard Volunteers from 50 to 58 years in contravention of Rules resulted in irregular payment of ₹ 10.30 crore to ineligible Home Guard Volunteers.

Section 11 of the Haryana Home Guards Act, 1974 (Act) provides that Rules for carrying out provisions of the Act will be made by the State Government. Further, Section 11 (3) of the Act provides that all Rules made under this Act shall be laid, as soon as may be after they are so made, before the House of the State Legislature. Rule 8 of the Haryana Home Guards Rules, 1980 (Rules) vide notification (May 1980) provided that no person shall be enlisted as a member unless he has attained the age of eighteen years and is below 50 years. Provided that the age limit prescribed above may be relaxed by the Commandant-General in suitable cases. Further, Rule 29 (1) provides that a member shall be discharged on attaining the age of 50 years or may be retired in extended period or his appointing authority may discharge him earlier on physically unfitness.

During scrutiny of records (October 2021) of the Commandant General Home Guards and Director Civil Defense, Haryana (Commandant), it was seen that the Commandant-General (CG) instructed (March 2020) all the subordinate offices that the age limit of 58 years is fixed for the retirement of all the volunteers recruited/enrolled in the department. These were not issued in form of Revision to the Rules. These also did not carry approval of the State Government. The powers/functions of the CG under Rule 29 (1) was restricted to individual suitable cases and not to raise date of retirement of all the Home Guard Volunteers without assessment of suitability of the concerned individual. This led to increase in retirement age of 612 Home Guard Volunteers working in the Department who had attained the age of 50 years or above (*Appendix 5.8*). The department did not discharge such volunteers from service after reaching age of 50 years. Moreover, no proposal for amendment in the Rule was seen to have been sent to the State Government. Thus, irregular decision of CG for enhancing the retirement age of Home Guard Volunteers from 50 years to 58 years resulted in irregular payment of ₹ 10.30 crore to these ineligible Home Guard Volunteers (*Appendix 5.8*) for the period between April 2020 and March 2021.

On being pointed out (October 2021), the Commandant General, Home Guards, Haryana replied (December 2021) that the matter regarding amendment in the Haryana Home Guards Rules, 1980 has been sent (December 2021) to the Additional Chief Secretary, Home Department. In the letter sent to ACS, Home Department, the CG had claimed that the State Government had omitted the

condition regarding maximum term of three years for a member vide notification dated 27 November 1981. Hence, an eligible member may work as Home Guard Volunteer upto the age of 58 years. Further, in exit conference (March 2022), the CG reiterated the same and contested the interpretation of the Rule by the Audit. The contention of CG is not maintainable as Rule 29 (1) clearly provides that a member shall be discharged on attaining the age of 50 years or may be discharged earlier on physical unfitness. The CG under Rule 29 (1) is entitled to relax the age limit in suitable cases but not empowered to replace the retirement age from 50 years to 58 years through issue of executive instructions for the entire group of Home Guards.

Thus, the CG had unauthorisedly enhanced the retirement age of Home Guard Volunteers upto to 58 years resulting in irregular payment of ₹ 10.30 crore as salary to 612 ineligible volunteers.

Haryana Police Housing Corporation

5.17 Avoidable expenditure

Delay in cancelling the acceptance letter of L1 who failed to deposit the performance security within the prescribed period of 21 days of allotment of work led to elapse of tender validity period of 120 days. Resultantly, L2 could not be made bound with his bid which was marginally higher than L1 and this resulted in an avoidable expenditure of ₹ 1.03 crore due to inviting of fresh tenders and allotment of work at a higher rate.

State Government accorded administrative approval of ₹ 24.61 crore in June 2018 for construction of four female barracks (four storeyed) in Haryana Police Academy, Madhuban (Karnal). Detailed Notice for Inviting Tenders (DNIT) was prepared for ₹ 21.13 crore and tenders were called by the Managing Director (MD), Haryana Police Housing Corporation (HPHC) on 24 August 2018 with last date of tender as 14 September 2018. Four eligible bidders participated in the tender. Financial bids were opened on 26 September 2018 and it was found that rates quoted by M/s Vij Contracts Private Limited, Delhi was the lowest at 6.20 *per cent* below the DNIT at ₹ 19.82 crore. Accordingly, the case was submitted to the Tender Approval Committee (TAC) of HPHC on 27 September 2018. The TAC approved the tender in favour of the L1 on 23 October 2018 and instructed the employer *i.e.* Superintending Engineer (SE), HPHC Circle, Madhuban to allot the work to him. The SE issued the acceptance letter to M/s Vij Contracts Private Limited, Delhi on 13 November 2018.

The contractor never turned up for depositing the requisite five *per cent* performance guarantee of ₹ 0.99 crore which was to be deposited by 4 December 2018 (within 21 days from the issue of acceptance letter). The Executive Engineer

(EE), HPHC, Madhuban kept on issuing letters to the contractor for depositing performance guarantee, signing the contract agreement for starting the work. However, the contractor never turned up. The EE, HPHC Madhuban cancelled the allotment of work on 15 March 2019 *i.e.* after 122 days after allotment of work and after lapse of 101 days from the last date for submitting the performance guarantee. The earnest money of ₹ 0.42 crore had been forfeited and the contractor had been debarred from tendering for one year.

The acceptance letter dated 13 November 2018 should have been cancelled on 5 December 2018 (22nd day from the date of allotment) in terms of clause 28.3 of bid document. As per clause 15.1 of the bid document, the bid validity period was 120 days from the last date of submission of tender *i.e.* upto 12 January 2019. As per clause 13.18.1(f) of the Haryana PWD Code, in case the L1 backs out, his earnest money is to be forfeited and L2, L3 and so on are to be called upon, as per their sequence, to bring the offer equal to the L1.

It was found that the bid of L1 was 6.20 *per cent* below the DNIT amount at ₹ 19.82 crore while the bid of L2 bidder M/s Vijay Builders, Sirsa was six *per cent* below the DNIT and was of ₹ 19.87 crore *i.e.* ₹ five lakh above the L1. However, due to non-cancellation of the acceptance letter on 5 December 2018 and not calling L2 for negotiation, the HPHC lost the opportunity, as the validity of bid was upto 12 January 2019 only.

Resultantly, the MD, HPHC re-invited the tenders in May 2019 and opened the tenders in June 2019 wherein two bidders participated and M/s Vijay Builders, Sirsa (the L2 in earlier tender) was found to be lowest at ₹ 20.90 crore (1.12 *per cent* below the DNIT amount of ₹ 21.13 crore). The work was allotted to this firm in July 2019 with a time limit of two years. The agency completed the work in October 2021.

Audit observed that the HPHC adopted a dillydallying approach from the receipt of tenders on 14 September 2018 as the financial bids were opened after 12 days on 26 September 2018, the TAC approved the tender in favour of L1 on 23 October 2018 *i.e.* after 40 days from receipt of tender. The SE, Madhuban issued acceptance letter on 13 November 2018 *i.e.* after 60 days from receipt of tender. After that also when the L1 contractor had not deposited the performance security within 21 days and had not turned up for signing the contract agreement (by 5 December 2018), the EE waited for another 101 days for cancelling the acceptance letter. Thus, a total of 182 days were taken from receipt of tender to cancellation of acceptance letter of the bidder. This resulted in loss of opportunity to call the L2 bidder whose bid was just ₹ five lakh above (0.2 *per cent* difference). The HPHC had to recall tenders wherein the L2 of earlier tender became the L1 but with a difference of ₹ 1.03 crore (₹ 20.90 crore - ₹ 19.87 crore). Had the HPHC cancelled the acceptance letter timely and called the L2 for

negotiation under clause 13.18.1(f) of the Haryana PWD Code, execution of the work at a lower price was a possibility. The bidder was bound with the rates quoted by him upto tender validity period *i.e.* upto 12 January 2019.

Thus, an avoidable expenditure of ₹ 1.03 crore had been incurred by HPHC due to delay in finalising the tenders coupled with delay in cancelling the acceptance letter when the contractor failed to deposit the performance security within the prescribed period of 21 days.

An exit conference was held on 29 March 2022 and in response, the department replied in April 2022 that inspite of various written and verbal requests (between December 2018 and March 2019), the agency had neither signed the agreement nor furnished the requisite Performance Security. The department admitted the facts that Performance Security should be submitted within 21 days of receipt of letter of acceptance.

Recommendation: The State Government may consider formulating a mechanism for speedy finalisation of tender cases. Departmental action may be initiated against the officers for delay in cancelling the acceptance even when the bidder failed to deposit Performance Security within the prescribed period.



(NAVNEET GUPTA)

Chandigarh

Dated: 07 February 2023 Principal Accountant General (Audit) Haryana

Countersigned



(GIRISH CHANDRA MURMU)

New Delhi

Dated: 15 February 2023 Comptroller and Auditor General of India

Appendices

Appendix 1.1
(Reference: Paragraph 1.1; Page 1)
Detail of clusters alongwith Departments, Public Sector Undertakings and Autonomous Bodies within a cluster

Cluster	Departments	Public Sector Undertaking	Autonomous Bodies
1. Health & Welfare	Health and Family Welfare		Haryana State Commission for Child Rights
	Medical Education & Research Department	Haryana Medical Service Corporation Limited	
	Sainik and Ardh Sainik Welfare Department		
	Social Justice & Empowerment Department		
	Welfare of SC & BC Department	Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited	
		Haryana Schedule Caste Financial Development Corporation Limited	
	Women and Child Development	Haryana Women Development Corporation Limited	
	Higher Education Department		Haryana Building & Other Construction Workers Welfare Board, Panchkula
	Labour Department		Haryana Labour Welfare Board Panchkula
	School Education Department		
2. Education, Skill Development and Employment	Skill Development & Industrial Training Department		
	Sports and Youth Department Affairs		
	Technical Education Department		
	Employment Department		
	Excise and Taxation Department		
	Finance Department	Haryana State Financial Services Limited	
	Rural Development Department		
	Agriculture & Farmers' Welfare Department	Haryana Agro Industries Corporation Limited	Haryana State Agriculture Marketing Board
		Haryana Land Reclamation and Development Corporation Limited	
		Haryana Seeds Development Corporation Limited	
3. Finance		Haryana State Warehousing Corporation	
	Animal Husbandry & Dairying Department		
	Cooperation Department		
	Fisheries Department		
	Food, Civil Supplies & Consumer Affairs Department		
	Horticulture Department	Haryana International Horticulture Marketing Corporation Limited	
	Irrigation & Water Resources Department	Haryana Minor Irrigation and Tubewells Corporation Limited	
4. Rural			
5. Agriculture, Food And Allied Industries			
6. Water Resources			

Cluster	Departments	Public Sector Undertaking	Autonomous Bodies
7. Energy and Power	New and Renewable Energy		
	Power Department	Haryana Power Generation Corporation Limited Haryana Vidyut Prasaran Nigam Limited Uttar Haryana Bijli Vitran Nigam Limited Dakshin Haryana Bijli Vitran Nigam Limited Saur Urja Nigam Haryana Limited (Non-Working)	Haryana Electricity Regulatory Commission
	Industry and Commerce	Haryana State Industrial and Infrastructure Development Corporation Limited Panipat Plastic Park Haryana Limited Haryana State Housing Finance Corporation Limited (Non-Working) Haryana Concast Limited (Non-Working) Haryana Minerals Limited (Non-Working) Haryana State Financial Services Limited	Haryana Khadi & Village Industries Board Panchkula
	Mines and Geology Civil Aviation Transport Department Town and Country Planning	Haryana Roadways Engineering Corporation Limited Haryana Mass Rapid Transport Limited Gurgaon Technology Park Limited Gurugram Metropolitan City Bus Limited Faridabad Smart City Limited Faridabad City Transport Services Limited Karnal Smart City Limited	Haryana Shehri Vikas Pradhikaran Panchkula (HSVP) Haryana Real Estate Regulatory Authority, Panchkula Haryana Real Estate Regulatory Authority, Gurugram Gurugram Metropolitan Development Authority
9. Transport			
10. Urban Development	Urban Local Bodies		
	Housing for All Environment & Climate Department Forest Department Science and Technology Department	Haryana Forest Development Corporation Limited	Housing Board Haryana Panchkula State compensatory Afforestation Management and Planning authority
11. Environment, Science and Technology			

Cluster	Departments	Public Sector Undertaking	Autonomous Bodies
12. Public Works	Public Health Engineering Department PWD (Buildings and Roads)	Haryana State Roads and Bridges Development Corporation Limited Haryana Orbital Rail Corporation Limited Haryana Rail Infrastructure Development Corporation Limited	
13. IT and Communication	Information and Technology	Haryana State Electronics Development Corporation Limited HARTRON Informatics Limited	
14. Law and Order	Home	Haryana Police Housing Corporation Limited	District Legal Service Authority, Ambala District Legal Service Authority, Kurukshetra District Legal Service Authority, Karnal District Legal Service Authority, Narnaul District Legal Service Authority, Fatehabad District Legal Service Authority, Jind District Legal Service Authority, Kaithal District Legal Service Authority, Hisar District Legal Service Authority, Sirsa District Legal Service Authority, Yamuna Nagar District Legal Service Authority, Faridabad District Legal Service Authority, Panipat District Legal Service Authority, Bhiwani District Legal Service Authority, Panchkula District Legal Service Authority, Rewari District Legal Service Authority, Gurugram District Legal Service Authority, Mewat District Legal Service Authority, Palwal District Legal Service Authority, Rohtak District Legal Service Authority, Sonapat District Legal Service Authority, Jhajjar District Legal Service Authority, Charkhi dadri Haryana State Legal Services Authority, Panchkula Haryana Waqf Board, Ambala cantt.

Cluster	Departments	Public Sector Undertaking	Autonomous Bodies
15. Culture and Tourism	Art and Culture Archives Archaeology and Museum Tourism	Haryana Tourism Corporation Limited	
16. General Administration	Principal Secretary to Election Department Citizen Resource Information Department General Administration State Election Commission Secretary to Haryana Vidhan Sabha Revenue And Disaster Management Department Printing and Stationery Secretary to Governor Information, Public Relations and Language Department of International Cooperation		Haryana Human Right Commission

Appendix 1.2

(Reference: Paragraph 1.6; Page 4)

Statement showing detail of category-wise amount of outstanding paragraphs

(` in crore)

Sr. No.	Category/Nature of Irregularities	Number of Paragraphs	Money Value
1.	Loss due to theft, fire, misappropriation	329	176.51
2.	Recoverable amount	2,674	9,60,263.62
3.	Non-compliance of rules	5,820	57,549.76
4.	Avoidable/irregular/excess expenditure	3,351	20,853.18
5.	Unfruitful/wasteful expenditure	933	3,349.97
6.	Shortcoming in implementation of scheme/execution of work	1,933	8,754.98
7.	Non-utilisation/blockade of funds	1,339	19,688.22
8.	Non-verification of store/stock	2,226	1,898.32
9.	Loss of revenue due to non-utilisation of means	1,753	28,380.20
10.	Miscellaneous	5,294	30,147.41
	Total	25,652	11,31,062.17

Source: Information compiled from Inspection Report Register

Say ₹ 11,31,062.17 crore

Appendix 1.3

(Reference: Paragraph 1.7.1; Page 4)

Detail of Outstanding Paragraphs of Audit Report (PSUs) 2018-19 and Compliance Audit Report 2019-20 to be discussed in PAC and COPU as on 31 March 2022

Audit Report	Name of Department	Year of Audit report	Para No.	Total number of paras
PSUs	Energy and Power	2018-19	2.1, 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7	8
	Industries and Commerce	2018-19	5.1, 5.2, 5.3	3
	Public works department	2018-19	5.4, 5.5	2
	Agriculture, Food and Allied Industries	2018-19	5.6, 5.7	2
Total				15
Compliance Audit Report	Food, Civil Supplies and Consumer Affairs department	2019-20	2.1, 2.2	2
	Sports and Youth Affairs Department	2019-20	2.3	1
	Town and Country Planning Department (Haryana Shehri Vikas Pradhikaran)	2019-20	2.4, 2.5	2
	Labour Department	2019-20	2.6	1
	Urban Local Bodies Department	2019-20	2.7	1
	Public Health Engineering Department	2019-20	2.8, 2.9	2
	Energy and Power	2019-20	3.1,3.2,3.3	3
	Industries and Commerce	2019-20	3.4,3.5	2
	Agriculture, Food and Allied Industries	2019-20	3.6,3.7,3.8,3.9	4
	Health and Welfare	2019-20	3.10	1
Total				19
Grand total				34

Appendix 1.4

(Reference: Paragraph 1.7.2; Page 5)

Detail of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments as on 31 March 2021

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
		2015-16	2.1.7.5	12,644.00
			2.1.9.3	21.41
		2017-18	2.1.6.3	2,222.00
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	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
			3.6.3	240.00
		2017-18	3.4	2,404.00
		2018-19	3.5	299.00
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
			2.3.10.11	37,386.00
			3.20	84.64
		2015-16	3.18 (a)	41,715.00
			3.18 (b)	1,077.00
		2017-18	3.17 A	16,086.00
			3.17 B	1,972.00
			3.18.7 (i)	11,14,413.00
			3.18.7 (ii)	1,955.00
			3.18.10	4,678.00
			3.18.11 (i)	342.00
			3.18.11 (ii)	2,025.00
			3.18.11 (iii)	2,690.00
		2018-19	3.14.3.3	3,189.00
			3.14.3.4	713.00
			3.14.3.7	15,21,661.00
3.14.3.8	1,314.00			
3.14.3.11	96.00			
3.14.4.3	1,122.00			
3.14.4.5	72.00			
3.15	561.00			
7.	Social Justice and Empowerment (District Red Cross Society)	2011-12	3.3.5.1	1,572.00
8.	PWD (Irrigation Branch)	2010-11	3.1.2	62.25
9.	Labour and Employment	2011-12	2.1. 9.4	79.95
10.	Urban Local Bodies	2012-13	2.2.8.1	17,040.00
			2.2.8.6	10,182.00
			3.20	554.00

Sr. No.	Name of Administrative Department	Year of Audit Report	Paragraph Number	Amount (₹ in lakh)
11.	Cooperation	2012-13	2.5.7.4	494.00
			2.5.9.3	767.00
12.	Health and Medical Education	2012-13	3.6	125.00
13.	Medical Education & Research	2018-19	2.1.8.3	11.56
			2.1.8.4 (i)	48.47
			2.1.8.5. (ii)	14.89
14.	School Education	2014-15	3.3	251.00
		2017-18	3.16.2.5	12.30
		2018-19	3.3	469.00
15.	Public Works Department (B&R)	2015-16	3.12.4.1	53.00
16.	Technical Education	2018-19	2.1.8.4 (ii)	1.57
			2.1.8.6	78.91
17.	Higher Education Department	2016-17	2.1.7.3	118.00
			2.1.8 (b)	2,631.00
		2018-19	2.1.8.5 (i)	6.36
			2.1.8.10	1.52
2.1.8.11	2.54			
18.	Home (Jail) Department	2016-17	2.2.7.3	112.00
19.	Housing	2018-19	3.9	41.00
20.	Health Department	2017-18	3.6.2.6	543.00
21.	Skill Development & industrial Training	2018-19	2.1.8.8	85.86
22.	Industries and Commerce Department	2017-18	3.10	145.00
23.	Forest	2018-19	3.7.4 (ii)	274.00
24.	Welfare of SC & BC	2018-19	2.1.8.1	1,898.00
			2.1.8.2	965.00
			2.1.8.7	474.00
Total				28,57,080.67

Appendix 1.5

(Reference: Paragraph 1.7.3; Page 5)

Details of Recommendations of PAC and COPU on CAG Report on Social, General and Economic Sectors PSUs/Non PSUs as on 31 March 2022

Sr. No.	PAC			COPU		
	PAC Report Number	Year of PAC report	Pending recommendations	Audit Report	Pending recommendations	Year of COPU report
1.	16 th	1979-80	1	16 th	1	1983-84
2.	22 nd	1984-85	2	19 th	1	1984-85
3.	23 rd	1985-86	1	23 rd	3	1986-87
4.	25 th	1986-87	1	35 th	1	1992-93
5.	26 th	1987-88	1	38 th	1	1994-95
6.	32 nd	1990-91	1	41 st	1	1996-97
7.	34 th	1991-92	5	42 nd	1	1996-97
8.	36 th	1992-93	4	43 rd	3	1997-98
9.	38 th	1993-94	4	45 th	14	2000-01
10.	40 th	1994-95	4	47 th	14	2000-01
11.	42 nd	1995-96	1	48 th	10	2000-01
12.	44 th	1996-97	7	49 th	7	2001-02
13.	46 th	1997-98	3	50 th	4	2002-03
14.	48 th	1998-99	1	51 st	3	2003-04
15.	50 th	2000-01	20	52 nd	7	2005-06
16.	52 nd	2001-02	7	53 rd	15	2006-07
17.	54 th	2002-03	8	55 th	6	2008-09
18.	56 th	2003-04	11	56 th	3	2009-10
19.	58 th	2005-06	19	57 th	6	2010-11
20.	60 th	2006-07	24	58 th	5	2011-12
21.	61 st	2007-08	8	59 th	10	2012-13
22.	62 nd	2007-08	16	60 th	6	2013-14
23.	63 rd	2008-09	17	61 st	10	2014-15
24.	64 th	2009-10	8	62 nd	13	2015-16
25.	65 th	2010-11	13	63 rd	15	2016-17
26.	67 th	2011-12	18	64 th	18	2017-18
27.	68 th	2012-13	19	65 th	7	2018-19
28.	70 th	2013-14	21	66 th	9	2019-20
29.	71 th	2014-15	11	67 th	18	2020-21
30.	72 nd	2015-16	43	68 th	20	2021-22
31.	73 rd	2016-17	60	Total	232	
32.	74 th	2016-17	39			
33.	75 th	2017-18	39			
34.	77 th	2017-18	34			
35.	79 th	2018-19	42			
36.	80 th	2019-20	34			
37.	81 st	2020-21	54			
38.	82 nd	2021-22	72			
		Total	673			

Appendix 2.1

(Reference: Paragraph 2.4; Page 9)

Detail of approved district Plan send by CPDOs to Directorate

Sr. No.	Name of District	Approved District Plan for the Year	Due date	Date of submission of HQ	Delay in days
1	Ambala	2018-19	15 March 2018	27 August 2018	165
			15 March 2018	01 October 2018	200
			15 March 2018	21 February 2019	343
		2019-20	15 March 2019	21 August 2019	159
		2020-21	15 March 2020	19 February 2021	341
2	Fatehabad	2018-19	15 March 2018	03 August 2018	141
			15 March 2018	24 September 2018	193
			15 March 2018	11 February 2019	333
		2019-20	15 March 2019	18 July 2019	125
		2020-21	15 March 2020	18 January 2021	309
3	Gurugram	2018-19	15 March 2018	25 June 2018	102
			15 March 2018	19 November 2018	249
			15 March 2018	26 February 2019	348
		2019-20	15 March 2019	26 July 2019	133
		2020-21	15 March 2020	01 January 2021	292
4	Faridabad	2018-19	15 March 2018	14 August 2018	152
			15 March 2018	27 October 2018	226
			15 March 2018	09 March 2019	359
		2019-20	15 March 2019	02 September 2019	171
		2020-21	15 March 2020	06 August 2021	509
5	Karnal	2018-19	15 March 2018	08 August 2018	146
		2018-19	15 March 2018	21 November 2018	251
		2018-19	15 March 2018	22 March 2019	372
		2019-20	15 March 2019	20 June 2019	97
		2020-21	15 March 2020	21 January 2021	312
6	Bhiwani	2018-19	15 March 2018	28 May 2018	74
		2018-19	15 March 2018	28 May 2018	74
		2018-19	15 March 2018	11 February 2019	333
		2019-20	15 March 2019	28 February 2020	350
		2020-21	15 March 2020	04 February 2021	326
7	Charkhi Dadri	2018-19	15 March 2018	07 September 2018	176
		2018-19	15 March 2018	03 December 2018	263
		2018-19	15 March 2018	07 February 2019	329
		2019-20	15 March 2019	Not Submitted	
		2020-21	15 March 2020	Not Submitted	

Appendix 2.2

(Reference: Paragraph 2.5; Page 11)

Detail of funds released and expenditure incurred under "District Plan" scheme

(₹ in lakh)

Sr. No.	Name of District	Year	Name of Component	Funds Released	Expenditure	Fund Lapsed	Percentage of Fund lapsed
1	Ambala	2018-19	General Component	1,869.35	1,012.73	856.62	45.82
			SCSP Component	1,246.24	625.12	621.12	49.84
		2019-20	General Component	1,219.26	712.14	507.12	41.59
			SCSP Component	899.45	519.33	380.12	42.26
2	Bhiwani	2018-19	General Component	1,875.68	1,651.15	224.53	11.97
			SCSP Component	1,250.45	1,025.98	224.47	17.95
		2019-20	General Component	1,007.81	746.71	261.10	25.91
			SCSP Component	676.87	454.01	222.86	32.93
3	Charkhi Dadri	2018-19	General Component	832.13	324.81	507.32	60.97
			SCSP Component	554.75	225.43	329.32	59.36
		2019-20	General Component	491.69	80.57	411.12	83.61
			SCSP Component	305.18	29.74	275.44	90.25
4	Faridabad	2018-19	General Component	2,998.20	1,178.70	1,819.50	60.69
			SCSP Component	1,998.81	762.72	1,236.09	61.84
		2019-20	General Component	1,980.72	1,146.53	834.19	42.12
			SCSP Component	1,307.11	749.78	557.33	42.64
5	Fatehabad	2018-19	General Component	1,560.64	1,182.98	377.66	24.20
			SCSP Component	1,040.42	797.66	242.76	23.33
		2019-20	General Component	838.54	652.37	186.17	22.20
			SCSP Component	563.19	469.21	93.98	16.69
6	Gurugram	2018-19	General Component	2,508.97	1,088.91	1,420.06	56.60
			SCSP Component	1,672.65	975.45	697.20	41.68
		2019-20	General Component	1,566.16	1,178.18	387.98	24.77
			SCSP Component	982.16	704.61	277.55	28.26
7	Karnal	2018-19	General Component	2,493.89	1,895.74	598.15	23.98
			SCSP Component	1,662.60	1,247.89	414.71	24.94
		2019-20	General Component	1,339.97	804.44	535.53	39.97
			SCSP Component	902.42	521.02	381.40	42.26
Total				37,645.31	22,763.91	14,881.40	

Appendix 2.3
(Reference: Paragraph 2.6; Page 11),
Detail of works not permissible under District Plan

Sr. No.	Year	Name of Block/MC/ Executive Agency	Name of Village/ Ward no / Galli No etc.	Component	Name of work	Amount approved (in ₹)	Total Expenditure (in ₹)	Remarks
Ambala								
1	2018-19	MC Ambala City	Ward no.7	General	Completion of Hall of Red Cross Office Court Road	5,00,000.00	5,00,000.00	As per para-1 of Annexure-III, any type of work in Govt. office or on the land/premises of Govt. office & residential buildings belonging to Central and State Governments, their Departments, Government Agencies/ Organizations and Public Sector Undertakings including HUDA exclusively meant for the use of official purpose only is not permitted under District Plan Scheme. Further, as per para 2 of Annexure -III, any type of work in official and residential buildings belonging to private, cooperative and commercial organizations are also not permitted under this scheme.
2	2018-19	MC Ambala city	Ward no.7	General	Completion of Hall of Litigation Hall Bar room Association Court complex	11,00,000.00	10,63,711.00	
Total						16,00,000.00	15,63,711.00	
Fatehabad								
3	2018-19	Bhattu Kalan	Thuyian	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	Para 4.5 of guidelines provides a list of works/material mentioned in Annexure-II that are permissible under "District Plan" scheme whereas works/material mentioned in Annexure-III are not permissible under District Plan Scheme. According to point no (X) of Annexure-II, purchase of any kind of sports material is prohibited.
4		Bhuna	Dhani Sanchla	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	As per point 4 of annexure-III of District Plan Guidelines works within the places of religious worship and on a land belonging to or owned by religious faith/ group is not permissible under district Plan Guidelines.
5		Bhuna	Gorekhpur	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
6		Fatehabad	Rajabad	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
7		Fatehabad	Barseen	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
8		Fatehabad	Badopal	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School CM Badopal	4,25,000.00	4,16,752.00	
9		Fatehabad	Dhani Binja Lamba	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
10		Fatehabad	Bhodia Khera	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
11		Fatehabad	Dharnia	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
12		Fatehabad	Ahali Sadar	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	

Sr. No.	Year	Name of Block/MC/ Executive Agency	Name of Village/ Ward no / Gali No etc.	Component	Name of work	Amount approved (in ₹)	Total Expenditure (in ₹)	Remarks
13		Fatehabad	MP Rohi 1	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
14		Jakhal	Talwari	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
15		Nagpur	Bhattu Khurd	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
16		Nagpur	Dhaka Dhani	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
17		Ratia	Chando Kalan	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
18		Tohana	Dangra	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
19		Tohana	Amani	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
20		Tohana	Akanwali	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
21		Tohana	Chander Kalan	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
22		Tohana	Mundaliyan	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
23		Bhuna MC	Bhuna City	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School-2 Ward No. 7	4,25,000.00	4,16,752.00	
24		Jakhal MC	Jakhal City	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School Ward No. 5	4,25,000.00	4,16,752.00	
25		Tohana MC	Tohana City	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School at GPS Tohana mandi	4,25,000.00	4,16,752.00	
26		Tohana MC	Tohana City	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Girl Primary School Ward No. 18	4,25,000.00	4,16,752.00	
27		Bhattu Kalan	Khabra Kalan	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
28		Bhattu Kalan	Bhattu Mandi	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Girls Primary School	4,25,000.00	4,16,752.00	
29		Bhattu Kalan	Banmandhori	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
30		Bhuna	Tibbi	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
31		Fatehabad	Boswal	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
32		Fatehabad	Dhani Majra	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Girls Primary School	4,25,000.00	4,16,752.00	

Sr. No.	Year	Name of Block/MC/ Executive Agency	Name of Village/ Ward no / Gali No etc.	Component	Name of work	Amount approved (in ₹)	Total Expenditure (in ₹)	Remarks
33		Fatehabad	Ayalki	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
34		Fatehabad	Chinder	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
35		Jakhal	Shakarpura	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
36		Jakhal	Chandpura	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
37		Nagpur	Dadupur	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
38		Nagpur	Bhadolanwali	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
39		Nagpur	Behbalpur	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
40		Nagpur	Manakpur	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
41		Ratia	Jakhan Dadi	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
42		Ratia	Lali	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
43		Tohana	Rattathey	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
44		Tohana	Jamalpur Sekhan (Polywala Khota)	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,16,752.00	
45		Fatehabad MC	Fatehabad City	SCSP	Outdoor fixed children multi activities play system (Jhula) at GPS No.1 Ward No. 21	4,25,000.00	4,16,752.00	
46		Fatehabad MC	Fatehabad City	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School W.23	4,25,000.00	4,16,752.00	
47		Ratia MC	Ratia City	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School Ward No. 17	4,25,000.00	4,16,752.00	
48		Ratia MC	Ratia City	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School W.9	4,25,000.00	4,16,752.00	
49	2019-20	Bhattu Kalan	Dhingsara	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
50		Bhuna	Bhuthan Khurd	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
51		Fatehabad	Salam Khera	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
52		Ratia	Bharpur	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	

Sr. No.	Year	Name of Block/MC/ Executive Agency	Name of Village/ Ward no / Galli No etc.	Component	Name of work	Amount approved (in ₹)	Total Expenditure (in ₹)	Remarks
53		Tohana	Nanheri	General	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
54		Bhattu Kalan	Bodiwali	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
55		Bhattu Kalan	Mehuwala	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
56		Bhuna	Dhani Gopal	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
57		Bhuna	Buwan	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
58		Fatehabad	Dhani Taliwali	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
59		Fatehabad	Daulatpur	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
60		Jakhal	Chandpura	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
61		Nagpur	Chankothi	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
62		Ratia	Nagal	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
63		Ratia	Badalgarh	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
64		Ratia	Ladhuwas	SCSP	Outdoor fixed children multi activities play system (Jhula) at Govt. Primary School	4,25,000.00	4,15,700.00	
65		Tohana	Samain	SCSP	Outdoor fixed children multi activities play system (Jhula) at GPS B/B	4,25,000.00	4,15,700.00	
66	2018-19	Bhuna MC	Bhuna City	General	Construction work in Peer Near Ram Lila Graound Ward No. 11	1,00,000.00	99,863.00	
67	2018-19	Ratia	Aherwan	SCSP	Shed in Pir Dergaha	3,00,000.00	2,90,775.00	
						2,71,75,000.00	2,66,28,130.00	
Gurugram								
68	2018-19	MC Sohna	Ward No 18		Providing and fixing open Gym	9,90,000.00	9,90,000.00	As per note of point no (X) of Annexure-II, purchase of any kind of sports material is prohibited.
69		MC Pataudi	Ward No 1		Providing & installation Jhulla, side and others items of Swing MC Shiv park Hailymandi Road	7,00,000.00	6,40,497.00	Further as per point no 9 and 17 of Annexure-III, purchase of all moveable items, any kind of vehicle, machinery, equipment are not permissible under this scheme.
70			Ward No 10		Providing & installation Jhulla, side and others items of Swing MC Shiv park near Moti dungri	8,00,000.00	6,40,497.00	
						24,90,000.00	22,70,994.00	
Karnal								
71	2018-19	Assandh	Bassi	General	Const. of B/wall & IPB Block in khera compound	3,00,000.00	2,98,369.00	Khera is a religious worship place not covered under the District Plan guidelines

Sr. No.	Year	Name of Block/MC/ Executive Agency	Name of Village/ Ward no / Gali No etc.	Component	Name of work	Amount approved (in ₹)	Total Expenditure (in ₹)	Remarks
72	2018-19	Indri	Tusang	General	Completion of Vridha Ashram	3,34,000.00	3,24,564.00	Vridha Ashram has not been covered under the District Plan guidelines
73	2018-19	Nilokheri	Sandhir	General	Const. of Khera Patti Chaupal	2,50,000.00	1,96,869.00	Khera is a religious worship place not covered under the District Plan guidelines
74	2018-19	Nissing	Sambhli	General	Completion of Old Age home near Brahma Kumari Ashram	4,00,000.00	3,55,495.00	Vridha Ashram has not been covered under the District Plan guidelines
					Total	12,84,000.00	11,75,297.00	
Bhiwani								
75	2018-19	B.Khera	Jamalpur	SCSP	Children Multi activity Play System (Fixed) in GGPS (LEP)	4,20,000.00	4,19,950.00	Only extension of building, new rooms, hall, Kitchen for mid day meal / stores/ Boundary walls and toilets etc. In Govt. Educational institutions. Parking sheds etc. In Govt. education insitutions for students is permissible.
76	2018-19	B.Khera	Balioli	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
77	2018-19	B.Khera	Kheri Daulatpur	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
78	2018-19	B.Khera	Ratera	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
79	2018-19	B.Khera	Sipper	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
80	2018-19	B.Khera	Siwara	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
81	2018-19	B.Khera	Nathuwas	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
82	2018-19	B.Khera	Mundhal Kalan	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
83	2018-19	B.Khera	Jatai	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
84	2018-19	B.Khera	Kaluwas	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
85	2018-19	B.Khera	Mandhana	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
86	2018-19	B.Khera	Mithatal	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
87	2018-19	B.Khera	Mundhal Khurd	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
88	2018-19	Bhiwani	Ninan	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
89	2018-19	Bhiwani	Nandgaon	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
90	2018-19	Bhiwani	Bhiwani No. 2	SCSP	Children Multi activity Play System (Fixed) in GGPS (LEP)	4,20,000.00	4,19,950.00	
91	2018-19	B. Khera	Prem Nagar	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
92	2018-19	Bhiwani	Sanga	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
93	2018-19	B.Khera	Talu	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
94	2018-19	B.Khera	Tigrana	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
95	2018-19	Bhiwani	Umrawat	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
96	2018-19	Tosham	Chandawas	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
97	2018-19	Tosham	Devrala	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
98	2018-19	Tosham	Kairu	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
99	2018-19	Tosham	Khariyawas	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
100	2018-19	Tosham	Lehgan	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
101	2018-19	Loharu	Loharu	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
102	2018-19	Loharu	Fatiya Bhima	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
103	2018-19	Loharu	Jhupa Kalan	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	

Sr. No.	Year	Name of Block/MC/ Executive Agency	Name of Village/ Ward no / Gali No etc.	Component	Name of work	Amount approved (in ₹)	Total Expenditure (in ₹)	Remarks
104	2018-19	Loharu	Bithan	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
105	2018-19	Loharu	Hasanpur	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
106	2018-19	Loharu	Gothra	General	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
107	2018-19	Loharu	Jhuppa Khurd	General	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
108	2018-19	Loharu	Dhani Dhola	General	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
109	2018-19	Loharu	Samasawas	General	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
110	2018-19	Loharu	Chahar Kalan	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
111	2018-19	Loharu	Mandholi Kalan	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
112	2018-19	Bhiwani	Police line park	General	Children Multi activity Play System (Fixed)	4,20,000.00	4,19,950.00	
113	2018-19	Loharu	Dariyapur	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
114	2018-19	Loharu	Dhani Bhakra	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
115	2018-19	Loharu	Lilus	SCSP	Children Multi activity Play System (Fixed) in GGPS	4,20,000.00	4,19,950.00	
116	2018-19	Loharu	Morka	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
117	2018-19	Tosham	Alampur	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
118	2018-19	Tosham	Jhulli	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
119	2018-19	Tosham	Khanak	SCSP	Children Multi activity Play System (Fixed) in GPS (LEP)	4,20,000.00	4,19,950.00	
120	2018-19	Tosham	Thilor	SCSP	Children Multi activity Play System (Fixed) in GPS	4,20,000.00	4,19,950.00	
121	2019-20	Loharu	Bidhnoi	SCSP	Construction of B/Wall & Ambedker Chowk	8,00,000.00	7,14,963.00	Chowk is not covered under D-plan
122	2019-20	B. Khera	Tigrana	General	Construction of Chowk with IPB near Stadium/ General Chowk	8,00,000.00	10,01,823.00	
123	2019-20	Siwani	Ghangala	General	Const. of chowk with IBP in front of Rajiv Gandhi Sewa Kender	6,50,000.00	6,49,924.00	
Faridabad						2,15,70,000.00	2,16,84,410.00	
124	2018-19				Saini Choupal Repair, Sarropur	4,29,000.00	3,88,000.00	
125	2018-19				Gathan Choupal Repair, Panhera Khurd	6,36,000.00	2,78,000.00	
126	2018-19				Saini Choupal Repair, Ward 29	8,00,000.00	7,80,000.00	
127	2018-19				Repair of Boundary wall of side area, back side of sector 8 by-pass road	3,00,000.00	3,00,000.00	
128	2018-19				Repair of SC Chaupal, Kabulpur Bangar	2,00,000.00	1,52,000.00	
Total						23,65,000.00	18,98,000.00	
Grand Total						5,64,84,000.00	5,52,20,542.00	

Appendix 2.4
(Reference: Paragraph 2.9; Page 15)
List of work replaced with other works

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	(₹ in lakh)	
											Saving	Expenditure on revised work
1	Gurugram	2019-20	Gurugram (Xen.-PR)	SCSP	Nawada	Rejuvenation of Pond	25.00	Collection Tank, Sellter and Screen Chamber	9.65	8.22	1.43	
2		2019-20	Pataudi (Xen- PR)	General	Bohra Kalan	Rejuvenation of Pond	25.00	Pavement	5.70	3.84	1.86	
3								P/F Chain Link fencing around Waterbody and Gate	7.07	2.94	4.13	
4								Placing of RCC Drain Pipe	3.60	1.57	2.03	
5		2019-20	Pataudi (Xen- PR)	General	Palasoli	Rejuvenation of Pond	25.00	Foundation of Screen Chamber, Sellter Tank and Phytotrid Bed in RCC	5.44	2.68	2.76	
6		2019-20	Pataudi (Xen- PR)	General				Const. of Roof Slab, Vertical Walls & Beams od Screen Chamber, Sellter Tank and Phytotrid Bed in RCC	8.96	4.38	4.58	
7		2019-20	Pataudi (Xen.-PR)	SCSP	Mauzabad	Rejuvenation of Pond	25.00	Const. of Screen Chamber, Sellter Tank and Phytotrid Bed in RCC	9.99	8.77	1.22	
8								P/F of Mild Steel Grill, Pavement	5.92	5.09	0.83	
9		2019-20	Pataudi (Xen.-PR)	SCSP	Bilaspur	Rejuvenation of Pond	25.00	Foundation of Screen Chamber, Sellter Tank and Phytotrid Bed in RCC	5.44	4.69	0.75	
10								Const. of Roof Slab, Vertical Walls & Beams of Screen Chamber, Sellter Tank and Phytotrid Bed in RCC	8.96	8.95	0.01	
11								Water proofing of Tank, Laying of filter media for STP	9.62	9.58	0.04	
12		2019-20	Farukh Nagar (Xen.- PR)	SCSP	Iqbalpur	Rejuvenation of Pond	25.00	Const. of Pavement in RCC with Tiles	9.96	9.87	0.09	
13								Chain Link Fencing, RCC Benches and Landscaping	9.95	9.70	0.25	

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
14								RCC connecting Pipes and RCC Benches	1.29	0.70	0.59
15		2019-20	Farukh Nagar (Xen.- PR)	SCSP	Taj Nagar	Rejuvenation of Pond	25.00	Foundation of Screen Chamber, Seltter Tank and Phytotrid Bed in RCC	5.44	5.29	0.15
16								Const. of Roof Slab, Vertical Walls & Beams of Screen Chamber, Seltter Tank and Phytotrid Bed in RCC	8.96	8.94	0.02
17								Water proofing of Tanks, Laying of Filter media for STP	9.62	9.62	0.00
18		2019-20	Sohna (Xen- PR)	General	Harchandpur	Rejuvenation of pond	25.00	P/F Chain Link fencing around Waterbody and Gate	6.38	3.67	2.71
19		2019-20	Sohna (Xen- PR)	SCSP	Haria Hera	Rejuvenation of pond	25.00	Placing of RCC Drain Pipe	1.06	0.96	0.10
20								Const. of Screen Chamber, Seltter Tank and Phytotrid Bed in RCC	9.79	6.49	3.30
21								Water proofing of Tank, Laying of filter media and Back filling of trenches of Pipeline for STP	7.63	6.24	1.39
22								P/F of Mild Steel Grill, Pavement	5.96	3.84	2.12
23		2019-20	Sohna (Xen- PR)	SCSP	Daula	Rejuvenation of pond	25.00	Water proofing of Tank, Laying of filter media for STP	7.63	5.94	1.69
24								Const. of Screen Chamber, Seltter Tank and Phytotrid Bed in RCC	9.79	6.56	3.23
25								P/F of Mild Steel Grill, Pavement	5.38	2.54	2.84
26		2019-20	Sohna	General	Alipur	Construction of B/wall & gate of school at Saramthla	2.31	Const. of Rasta from Firmi to H/o Sandeep	2.31	1.49	0.82
27		2019-20	Pataudi	General	Lochabka	Const. of Rasta from Lokra Kapdiwas road to H/o Hosiyar Singh upto Bas Batoda Road Lokri	4.49	Const. of Road from PWD Road to H/o Khajan Yadav	4.49	3.61	0.88
28		2019-20	Gurugram	General	Shikohpur	Const. of Rasta of Shamsan Ghat Wazirpur	6.27	Completion of B/Wall & Shed of Shamsan Ghat	6.27	4.28	1.99

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
29	Fatehabad		Nagpur	General	Musa Ali	Shed near Gurudwara		Shed near Shamshan Ghat	2.00	2.00	0.00
30	Karnal	2018-19	MC Karnal	SCSP	Karnal			Beautification of Ambedkar chowk	10.00	8.44	1.56
31			Gharanunda	SCSP	Bastada			Compl. of Sain chaupal Karnal	3.00	2.94	0.06
32			Kunjipura	SCSP	Gheed			Const. of Ambedkar bhawan	3.00	2.90	0.10
33			Indri		Jancosarao			Const. of balmiki chaupal	3.00	2.67	0.33
34			Karnal		Mohidipur			Renovation of balmiki chaupal	5.00	2.02	2.98
35			MC Karnal	General	Karnal			Providing & laying ILPB in community center, ward no. 6	10.00	9.97	0.03
36			Assandh	General	Achhanpur			Const. of B/Wall of Aganwari	1.50	1.47	0.03
37			Assandh	General	Achhanpur			Const. of General Chaupal	3.00	2.43	0.57
38			Gharanunda	General	Bharatpur			Const. of gali from PWD road to pond Bharatpur	5.00	0.72	4.28
39			Munak	General	Shekhpura Munak			Const. of pathway in GSSS	5.00	4.50	0.50
40			Gharanunda	General	Gudha			Const. of B/walls of stadium	8.00	6.90	1.10
41			Kunjipura	General	Jadoli			Compl. of pal chaupal	5.00	4.04	0.96
42			Karnal	General	Rukkanpur			Const. of shamshan shed	2.00	2.00	0.00
43		2019-20	M.C. Karnal	General				Construction of basket ball ground in sector -6 w.no.-8	3.00	1.56	1.44
44			M.C Karnal					Development of parks on national highway Sector 6 corner ward no.8	2.00	1.98	0.02
45			M.C Karnal					Construction of street in shiv colony ward no.17	12.00	4.37	7.63
46			MC Karnal					Providing and fixing of Paver block and construction of Boundary wall in Govt High School Baldi	5.00	1.43	3.57
47			Block kunjipura					Pakki gali rasta to office	5.89	5.17	0.72
48			Block karnal					Construction of ILPB street and chowk near house of maninder singh and surinder singh	3.00	2.82	0.18
49			Upli Block gharaunda, Village					Construction of veramdah in shamshanghat	5.00	2.82	2.18
50			Block gharaunda					Construction of pathway in vyamshala	5.00	4.98	0.02

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
51			Manak Majra block indri					Completion of community hall	1.00	0.90	0.10
52			Sangotha block indri					Construction of urinals and toilet in GSSS	1.00	0.58	0.42
53			Halwana block indri					Construction of 2 toilet and water tank in GMS Halwana	3.00	1.62	1.38
54			M.C Nilokheri					Construction of pathway in government primary school near main gate and toilet	3.15	2.91	0.24
55			MC KARNAL	SCSP				Completion of Lab in Civil Hospital Building Karnal.	6.30	6.16	0.14
56								P/F of 60mm thick IPB ISI Mark & Chain link fencing on boundary wall in Pt. CL Sharma Govt. College Sec – 14 Karnal.	0.20	0.18	0.02
57								Providing & erection of entry and exit sign board on national highway from Madhuban to Baldi Chowk Karnal	1.50	1.50	0.00
58								Raising of Boundary Wall, Providing & Laying 60 mm thick interlocking paver blocks (M-35 grade) ISI marked and laying sewer pipeline in Nari Niketan Premises Karnal.	8.85	6.58	2.27
59								Payment of development works providing and fixing 60 mm thick paver blocks and 2 No. 7 Meter Mini Mast Light in Government Primary School, Ward No. 12	0.70	0.70	0.00
60			Block Indri/village Jansron					Comp. of Balmiki Choupal	0.50	0.49	0.01
61			Block Indri/village Gumton					Const. of Street MGGY Colony	1.94	1.89	0.05
62			Block Kunjipura-Kalwehri					Const. of B/wall of Shamshan ghat	1.37	1.26	0.11

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
63			Block Kurjipura-Salarpura					Const. of Toilets	1.25	0.78	0.47
64			Block Gharanuda-Chaura					Const. of Street from sunil cement store to H/o Kashi tomer	4.00	3.50	0.50
65			Block Kurjipura-Nabipur					Toilet Repair and Water Tank in GMS	2.00	1.87	0.13
66			Block Kurjipura-Nalvi kalan					Compl. of ILPB in GPS & GMS	3.00	2.84	0.16
67			Block Gharanuda-Kutail					Repair of Yatri Vishram Greh & Const. of Toilet & Repair near Mandir at kairwali Chowk	4.00	3.55	0.45
68			Block Gharanuda-Bastara					Const. of Street from H/o Jeet ur Jitu s/o Nihal Singh to H/o Mange Ram s/o Bind Raj Sharma	2.00	1.87	0.13
69			Block Kamal-Nalvipar					Const. of Pathway in GPS	2.10	2.04	0.06
70			Block Gharanuda-Kutail					Completion of Sular Panna Chaupal	4.00	2.95	1.05
71			Block Gharanuda-Balheda					Const. of Street H/o Talim Namberdar	0.80	0.55	0.25
72			Block Gharanuda-Hasanpur					ILPB in Prayer Ground, GHS	4.00	4.00	0.00
73			Block Assandh-Phaprana					Const. of ILPB Street from H/o Vishnu S/o Panne Ram to H/o Ramphal S/o Ram Kumar	1.10	0.94	0.16
74		2020-21	Nissing Gramin	General				Const. of strret from Buta Singh dera	6.00	5.85	0.15
75			Prem Khera					Const. of strret from Omkar to Nissing Dacher main road	6.23	5.99	0.24
76			MC Kamal					Const. of retro reflective welcome gate 6 lane NH-1 near Samana Bahu	8.46	8.43	0.03
77			MC Kamal					Const. of retro reflective welcome gate 6 lane NH-1 near Kohand	8.46	8.43	0.03
78	Charkhi	2018-19	XEN (PR)	SC	Badhra			constt. Of sc chaupal	2.50	2.24	0.26
79	Dadri		XEN (PR)	SC	Badhra			constt. Of sc chaupal	5.00	1.59	3.41

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
80			XEN (PR)	General	Dadri			ipb street from jadish hose to satywant	5.00	3.58	1.42
81			XEN (PR)	General	Badhra			ipb rasta dagdoli seem to primary school	3.00	1.94	1.06
82			XEN (PR)	General	Dadri			const. of sysman ghat	4.00	0.75	3.25
83			XEN (PR)	General	Badhra			constt. Of sysman ghat hall	8.00	1.47	6.53
84			XEN (PR)	SC	Dadri			constt of rasta of stadium	3.00	1.98	1.02
85			XEN (PR)	General	Dadri			ipb street h/o ex. Joginder to H/o Ex. DSP	0.77	0.35	0.42
86			XEN (PR)	SC	Dadri			ipb street firimi to H/o rajender s/o ganga ram	3.00	2.21	0.79
87	Faridabad	2019-20	SSA	SCSP	H.No.50/11C			Beautification/Dev. of park/const. work	4.00	4.00	0
88			NK	SCSP	Shiv Durga Vihar			Inst. Of Tube well D3 Block	8.50	8.39	0.11
89			SSA	SCSP	Backside of sec.8, By pass road			Repair & B/Wall of road side are	3.00	3.00	0
90			SSA	SCSP	DLF Phase-II Industrial Are, Back side of Plot No. 36/37			Interlocking Tiles work and Const. work	3.00	3.00	0
91			HTC	SCSP	Indra Nagar(SC)			Inst. Of Two Mini bore.	8.50	7.94	0.56
92			HTC	SCSP	Ward 35			Installation of Tubewell	8.00	7.70	0.30
93			HTC	SCSP	Ward-35			Installation of Tubewell	7.50	7.27	0.23
94			HTC	SCSP	Ward-38			Installation of 2 Mini Tubewell	7.00	5.63	1.37
95			NK	SCSP	Ward-37			Installation of 02 Nos. Mini Tubewell	7.23	6.03	1.20
96			HTC	SCSP	Ward-21			P/L of RMC	9.80	9.53	0.27
97			HTC	SCSP	Ward-19			P/L of RMC at Dayal Bagh	9.90	6.36	3.54
98			SSA	SCSP	H.No. 2164/8			Dev. & Beautification & Const. of Work of park	3.00	3.00	0.00
99			SSA	SCSP	H.No. 2234/8			Dev. & Beautification & Const. of Work of park	3.00	3.00	0.00

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
100			SSA	SCSP	H.No. 411/11D Deen Bandhu Chotu Ram park			Dev. & Beautification & Const. of Work of park	3.00	3.00	0.00
101			SSA	SCSP	H.No. J-87/10			Const. of Toilet	2.00	2.00	0.00
102			SSA	SCSP	H.No.-1887/08			Dev. & Const. of park & B/Wall	2.00	2.00	0.00
103			SSA	SCSP	H.No.1881/08			Dev. & Const. of park & B/Wall	2.00	2.00	0.00
104			SSA	SCSP	H.No.2340/8			Dev. & Const. of park & B/Wall	3.00	3.00	0.00
105			SSA	SCSP	H.No.59/8			Const. Work & Dev. of park	2.00	2.00	0.00
106			SSA	SCSP	H.No. 2325/8			Beautification & Dev. of park	2.00	1.86	0.14
107			SSA	SCSP	Sector-15			Dev. Of Park opposite 1096	6.50	6.50	0.00
108			HTC	SCSP	Ward-07			ILT Dhobi wali gali	3.10	3.02	0.08
109			SSA	SCSP	Sector-15			Dev. Of Park opposite APJ School	2.00	2.00	0.00
110			HTC	GEN	Ward 37			Sewer Line in Bhagat Singh Colony	4.50	3.64	0.86
111			HTC	GEN	Ward-37			Construction of RMC Road near Gyatri Mandir	7.50	7.47	0.03
112			HTC	GEN	Ward-38			Installation of Tubewell	8.00	7.64	0.36
113			HTC	GEN	Ward-21			P/L RMC	9.50	9.25	0.25
114			HTC	GEN	Ward-7			ILT Near Gurudwara	3.50	3.41	0.09
115			HTC	GEN	Ward-7			ILT in Gurudwara Singh Sabha Wali Gali	3.50	3.41	0.09
116			SSA	GEN	B.K. Hospital			Installation of Mini tubewell	2.00	2.00	0.00
117			SSA	GEN	992/15, Near Geeta Mandir			New Walking path	5.00	4.90	0.10
118			SSA	GEN	555/51A			Dev. & Const. of park & beautification	5.00	5.00	0.00
119			SSA	GEN	1574/15, 1580/15, 925/15 (Mother Dairy Wala Park)			Rear of knopy some C.Tile Inter locking tiles in the Gym are & repair of w.path	2.00	1.98	0.02
120			SSA	GEN	H.No. 329, Sec.7A			Const. of W.path/Repair work	5.00	5.00	0.00

Sr. No	District	Year	Executive Agency	Scheme	Village	Original work	Amount of original work	Replaced work	Sanctioned amount of replaced work	Expenditure on revised work	Saving
121			SSA	GEN	H.No.472/10			Dev. of park, New walking path	2.00	2.00	0.00
122			SSA	GEN	H.No.1379/15			Interlocking work outside of park	3.00	3.00	0.00
123			SSA	GEN	H.No.2730, Sec.7A, Faridabad.			Const. of Park	2.00	1.99	0.01
124			SSA	GEN	Sector-15			Dev. Of Park Backside of Geeta Mandir	2.00	2.00	0.00
								Total	594.38	487.97	106.41

Appendix 3.1

(Reference: Paragraph 3.5.1; Page 28)

Detail of Budget allocated against the Budget that was to be sought as per instructions of Finance Department

(₹ in crore)

Name of MCs	Year	Budget that was to be sought as per instructions of Finance Department (FD)	Budget allocated by FD	Short assessment of Budgetary requirement
A	B	C	D	E= C-D
Gurugram	2016-17	1,021.46	191.57	829.98
	2017-18	1,143.50	769.88	373.62
	2018-19	992.18	310.66	681.52
	2019-20	1,472.99	218.79	1,254.20
	2020-21	1,979.96	923.56	1,056.40
Rohtak	2016-17	26.64	18.97	7.65
	2017-18	29.71	24.28	5.43
	2018-19	37.22	26.26	10.96
	2019-20	51.11	19.65	31.46
	2020-21	67.31	68.36	-1.05
Yamunanagar	2016-17	17.49	15.66	1.83
	2017-18	9.93	14.60	-4.67
	2018-19	14.73	20.94	-6.21
	2019-20	18.11	17.59	0.52
	2020-21	17.56	7.08	10.48

Appendix 5.1
(Reference: Paragraph 5.7; Page 67)

Detail of tender cases scrutinised in the office of Engineer-in-Chief, Irrigation and Water Resources Department, Haryana

Sr. No.	Tender	Amount of tender (Estimated Cost) ₹ in lakh	No. of bids received	No. of bidders who did not submit the statement under clause 4.5	Number of bidders held responsive under clause 4.5 & 1.3 statement (a). The		No. of bidders who did not submit statement under clause 4.2 (ii)	No. of bidders held responsive where statement was signed by the EE for clause 4.2(ii)	No. of bidders held non-responsive where statement was signed by the EE for clause 4.2(ii)	Where documents were submitted timely as per norms prescribed in SBD		Validity of the EMD/BG as per norms	Validity of EMD/BG less than norms	
					Not signed by EE	Signed by EE				Held responsive	Held non-responsive		Held responsive	Held non-responsive
1.	Constructing underground RCC Pipeline for Machhonda Drain (RD 0-5791 meters) outfalling in river Tangri and Machhonda link drain (RD 0-1380 meters) outfalling into Machhonda drain	1,366.56	4	0	4	0	0	3	1	0	1	4	0	0
2.	Reconstruction of V.R Bridge at RD 157330 (Samalkha Bhopoli Pucca Road) at Main Drain No-2	597.52	5	0	5	0	0	5	0	0	0	3	0	2
3.	Replacement of V.R Bridge at KM 12.280 of Ujina Diversion Drain (UDD)	616.57	2	0	2	0	0	2	0	0	0	2	0	0
4.	Remodeling of Bhiwani Dsty. From RD 107200 to 189600 off taking at RD 107200 Bhiwani Sub Branch	1,906.00	2	1	1	0	1	1	0	0	0	2	0	0
5.	Rehabilitation of Chaudhry Minor from 0 to 67520	1,146.50	2	0	2	0	0	2	0	0	0	1	1	0
6.	Construction of HL Bridge over Markanda river including approaches in Village Dayal Nagar, Shahabad	900.00	4	0	4	0	1	3	0	0	0	4	0	0

Sr. No.	Tender	Amount of tender (Estimated Cost) ₹ in lakh	No. of bids received	No. of bidders who did not submit the statement under clause 4.5	Number of bidders held responsive under clause 4.5 & 1.3 statement (a). The		No. of bidders who did not submit statement under clause 4.2 (ii)	No. of bidders held responsive where statement was signed by the EE for clause 4.2(ii)	No. of bidders held non-responsive where statement was signed by the EE for clause 4.2(ii)	Where documents were submitted timely as prescribed in SBD per norms	Where documents were submitted after time limit as per norms prescribed in SBD		Validity of the EMD/BG as per norms		Validity of EMD/BG less than norms	
					Not signed by EE	Signed by EE					Held responsive	Held non-responsive	Held responsive	Held non-responsive	Held responsive	Held non-responsive
7.	Providing concrete side lining in reach RD 96000-126415 of WJC Main Branch including reconstruction/remodeling of pucca structures.	2,500.00	4	0	4	0	0	4	0	4	0	0	3	1	0	0
8.	Providing concrete side lining in reach RD 2000-15000 and 30000-58000 of WJC Main Branch including reconstruction/remodeling of pucca structures	4,500.00	2	0	2	0	0	2	0	2	0	0	2	0	0	0
9.	Remodeling of Dadri Disty. From RD 0-67120 off taking at RD 42700 of Dadri	1,460.00	4	0	4	0	0	4	0	4	0	0	4	0	0	0
10.	Raw Water arrangement for proposed multi-model logistic hub at Namaul Distt. Mohindergarh by providing and laying 600 mm DI pipeline including construction of RAW water balancing reservoir etc.	1,412.19	3	1	0	2	1	2	0	3	0	0	3	0	0	0
11.	Remodeling of new Shiwani feeder from RD 76170 to 172376	2,800.70	3	0	3	0	0	3	0	2	1	0	3	0	0	0
	Total	19,206.04	35	2	31	2	3	31	1	33	1	1	31	2	2	2

Appendix 5.2

(Reference: Paragraph 5.10; Page 81)

Loss due to availing less discount than admissible

(₹ in lakh)

Sr. No.	Name of Publisher	Books falling under 35 per cent discount	Books falling under 30 per cent discount	Books falling under 25 per cent discount	Discount due from brackets of 35 per cent, 30 per cent and 25 per cent after deduction discount availed i.e. 10 per cent			Gross Total
					Amount due under 35 per cent (35 per cent of column 2 - 10 per cent of column 2) - column 2)	Amount due under 30 per cent (30 per cent of column 3 - 10 per cent of column 3)	Amount due under 25 per cent (25 per cent of column 4-10 per cent of column 4)	
	1	2	3	4	5	6	7	8 = (5+6+7)
1.	Green books	13.95	12.22	35.37	3.49	2.44	5.31	11.24
2.	Omkar books	5.36	19.28	27.04	1.34	3.86	4.05	9.25
3.	Basant publication	7.12	12.40	30.04	1.78	2.48	4.51	8.77
4.	Ekant Publication	36.18	3.11	18.33	9.05	0.62	2.75	12.42
5.	International publication corporation	4.77	1.04	41.67	1.19	0.21	6.25	7.65
6.	Vidhyanidhi	11.89	20.63	23.10	2.97	4.12	3.47	10.56
7.	Pujya Prakashan	4.77	22.39	35.40	1.19	4.48	5.31	10.98
8.	Jevant Prakashan	0.00	6.76	51.60	0.00	1.35	7.74	9.09
	Total	84.04	97.83	262.55	21.01	19.56	39.39	79.96

Appendix 5.3

(Reference: Paragraph 5.10; Page 81)

Statement showing overpayment due to missing books and overcharged books

Sr. No.	Name of book	Book Price (in ₹)	Bill Price (in ₹)	Quantity	Amount as per book price (in ₹)	Amount as per bill price (in ₹)
1	उपेद्रक अश्क रचनावली	850	1,000	8	6,800	8,000
2	रंग दस्तावेज़ (Vol. I & II)	2,500	4,000	1	2,500	4,000
3	हंस के विमर्ष (Vol. I & II)	1,500	3,000	1	1,500	3,000
Total					10,800	15,000
Gross value of 149 sets (A)					16,09,200	22,35,000
Net value of 149 sets after discount at the rate of 25 per cent and 10 per cent respectively					12,06,900	20,11,500
Difference						8,04,600
4	कबीर ग्रंथावली	150	495	4	600	1,980
Gross value of 149 sets (B)					89,400	2,95,020
Net value of 149 sets after discount at the rate of 35 per cent and 10 per cent respectively					58,110	2,65,518
Difference						2,07,408
5	होमियोपैथी-चिकित्सा विशिष्ट ओधियान	230	300	2	460	600
Gross value of 149 sets (C)					68,540	89,400
Net value of 149 sets after discount at the rate of 30 per cent and 10 per cent respectively					47,978	80,460
Difference						32,482
Bill value of overcharged books before discount (A+B+C)						26,19,420
Overpayment due to overcharged books						10,44,490
Price of missing books						2,17,791
Overpayment due to missing books/overcharged books						12,62,281

Say ₹ 12.62 lakh

Appendix 5.4

(Reference: Paragraph 5.12; Page 87-88)

A. Detail of scores under Category I and II

Category	Score as per UGC maximum (minimum)	Score as per both the university at activity level maximum (Minimum)	Score as per aggregates of sub-activities	
			DCRUST	GJUS&T
Category I	Maximum 125= 50+10+20+20+25 Minimum: 75	Maximum 125= 50+10+20+20+25 Minimum: 75	160 = 50 + 10 + 20 + 30 + 50	205 = 50 + 10 + 25 + 70 + 50
Category II	Maximum 50= 20+15+15 Minimum: 15	Maximum 50= 20+15+15 Minimum: 15	120* = 45 + 41 + 34	170* = 55 + 45 +70

* Note: Both the universities bifurcated scores for each items in sub-activities.

B. Detail of scores under Category III

Category	Maximum Score as per UGC guidelines	Score as per aggregates of sub-activities of Universities		Remarks
		DCRUST	GJUS&T	
Category III	Maximum 415.50 = 35 + 123 + 167 + 20 + 70.50	Maximum 635.50 = 35 + 133 + 180 + 31 + 256.50	Maximum 495 = 35 + 133 + 215+ 31 + 81	Both the universities added new API parameters other than prescribed in UGC guidelines in Category III.

Appendix 5.5

(Reference: Paragraph 5.14 (i); Page 94)

Statement showing less claim of Central Assistance Claims for the year 2018-19 and Detail of Distribution as per e-PDS portal

Month	Wheat	Fortified Atta	(in kgs)
			Bajra
Apr-18	50912626.50	848601	598142.22
May-18	51696980.10	856355	104525.369
Jun-18	50516049.90	856229	39244.189
Jul-18	50793066.40	860848	27084.9
Aug-18	51033505.90	862686.8	0
Sep-18	51868874.80	867560	0
Oct-18	52793680.70	867390	0
Nov-18	22036651.20	337011	28460080.6
Dec-18	22530188.50	351157	31204355.7
Jan-19	22347060.50	362075	31132404.3
Feb-19	48313081.70	6686379.1	6059275.7
Mar-19	49075081.20	7293683.6	2231606.2
In Kg.	523916847	21049975.5	99856719.2
In Qt.	5239168.47	210499.755	998567.192
Quantity distributed as per portal			6448235.42
Claim submitted for			6289760.14
Less claim qty. (in lakh qtl.)	1.58		158475.281
Central Government share for claims			50 per cent
Transportation handling		65	5150446.5
FPS dealer margin		70	5546635
Additional margin		17	1347040
Less claim			12044122

Appendix 5.6

(Reference: Paragraph 5.15; Page 96)

Statement showing detail of total value of confiscated red sander wood

Sr. No.	Grade	Weight (Tonne)	Rate (₹ in lakh)	Amount (₹ in lakh)	Remarks
1	A	02.24186	30	67.26	As per available records, grading of 31.8349 tonnes was done by HFDC up to February 2017.
2	B	7.1319	20	142.64	
3	C	22.01436	12	264.17	
4	C (non-graded) (chips, pieces, etc.)	0.44678	12	5.36	
5	C (non-graded)	144.4011	12	1,732.81	Balance 144.4311 tonnes of wood is evaluated as grade C due to non-graded.
6	Grand Total	176.236	-	-	
7	Less	0.5573	-	-	Detected as non-red sanders wood during grading
8	Net total	175.6787		2,212.24	

Note: Grade A: ₹ 30 lakh; Grade B: ₹ 20 lakh; and Grade C: ₹ 12 lakh (Sale proceed rates have been taken as fixed by Andhra Pradesh Forest Department.)

Appendix 5.7

(Reference: Paragraph 5.15; Page 96)

Statement showing detail of expenditure incurred on rent of Godown and Watch and Ward of confiscated red sander wood

Name of Entity	Nature of Expenditure	Period/Date of Expenditure	Amount (In ₹)
HFDC, Gurugram/Rewari	Salary paid to outsourcing staff for watch and ward of RSW	30 September 2015 to 31 March 2022	11,63,971
	Expenditure incurred on grading of RSW by HFDC Gurugram	11 April 2016	2,29,000
DFO, Gurugram	Hiring of Godown	31 August 2016 to 31 March 2022	13,40,000
DFO, Rewari	Hiring of Godown and CCTV	01 May 2016 to 31 March 2022	5,72,180
DFO, Rewari	Salaries to Group "D" deployed for watch and ward	01 April 2016 to 31 March 2022	63,08,913
Total			96,14,064

Appendix 5.8

(Reference: Paragraph 5.16; Page 98)

Statement showing number of ineligible home guard volunteers who were paid salary irregularly

Sr. No.	Name of district	Number of home guard volunteers above the age of 50 years	Total salary paid (In ₹)
1	Hisar	19	25,06,338
2	Yamuna Nagar	40	56,02,335
3	Fatehabad	15	26,90,813
4	Panchkula	31	55,45,828
5	Sirsa	20	36,39,636
6	Kurukshetra	34	55,34,719
7	Gurugram	24	37,50,656
8	Jind	21	29,59,528
9	Rohtak	25	31,24,203
10	Kaithal	08	15,03,788
11	Narnaul	16	9,19,040
12	Karnal	30	53,24,936
13	Panipat	61	1,17,21,424
14	Jhahhar	17	33,35,710
15	Sonipat	41	70,43,994
16	Bhiwani	23	42,13,924
17	Rewari	31	50,23,876
18	Palwal	65	1,24,44,432
19	Ambala	49	88,83,732
20	Nuh	08	15,98,168
21	Faridabad	34	55,91,300
	Total	612	10,29,58,380

Say: ₹ 10.30 crore

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