Chapter 4

Compliance Audit Observations

CHAPTER 4

Compliance Audit Observations

Information, Public Relations and Languages Department

4.1 Suspected Embezzlement of ₹ 40.51 lakh

Suspected Embezzlement of ₹ 40.51 lakh occurred in DIPRO, Mewat at Nuh by creating fake unique IDs of fictitious employees and transferring the amount to their bank accounts on account of salary arrear of seventh pay commission and leave encashment.

Government of Haryana introduced (August 2011) the system of e-salary in all Government Departments. Under the system, a distinctive 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 instruction (24 January 2012) allotment of UCP was made online and UCPs could be allotted on e-salary module by the drawing and disbursing officer (DDO). For this, after submission of self-attested copy of PAN Card, Cancelled Cheque, Aadhar Card by a new employee, the maker of e-salary (Clerk/Accountant) through his/her login credentials generates a UCP. After this, the checker/DDO with his/her login credentials verifies the said UCP. The e-salary maker generates bills on e-salary portal through his/her login credential and the DDO through his/her credentials verifies the bills and submits the same to the treasury for payment.

During compliance audit of District Information and Public relation Officer (DIPRO), Mewat at Nuh (December 2023), for the period December 2015 and October 2023, the cash book for the period between August 2019 and June 2020 was not produced to audit. However, audit was conducted by downloading e-salary vouchers for the said period from e-salary website. Scrutiny of the employees' payee lists of DIPRO, Nuh for the audit period revealed that during the period from August 2019 to June 2020, 14 fraudulent payments were made to payees whose Unique Code Numbers (UCPs) did not correspond with those of the employees of DIPRO, Nuh. An amount of ₹ 40.51 lakh (***Appendix 4.1***) was disbursed through these 14 transactions in favour of fictitious employees. Although the names of these payees were identical to those of employees of the DIPRO/Mewat office, their UCPs, PANs, bank account details and addresses differed from those of the actual employees. On further verification from concerned banks, the addresses of fictitious employees were found different from those of the genuine employees as per office records.

Based on audit observation, a four member[1] departmental committee was constituted in April 2024. The committee confirmed the embezzlement of ₹ 40.51 lakh and recommended for initiating disciplinary action against the DDO, the Accountant and the Clerk under Haryana Civil Services (Punishment and Appeal) Rules, 2016 and to lodge a formal complaint with police for fraudulent payment of ₹ 40.51 lakh between August 2019 and June 2020 by way of 14 transactions on account of false/pseudo named employees by creating fake unique IDs. An FIR was lodged on 29 October 2025 against the DDO, the Accountant and the Clerk. Further, disciplinary action and recovery of embezzled amount was awaited. (November 2025).

The matter was referred (May 2025) to the Commissioner and Secretary to Government of Haryana, Information, Public Relations and Language Department; the reply was awaited (February 2026).

Department of Agriculture & Farmers Welfare, Haryana

Chaudhary Charan Singh Haryana Agricultural University (CCSHAU), Hisar

4.2 Dilution of conditions of Bank Guarantee resulted in non-realisation of objective of Bio-gas plant

The CCSHAU/Committee relaxed the bank guarantee requirement, enabling the agency to walk away from the project without facing any financial consequences/loss. Resultantly, expenditure of ₹ 5.60 crore incurred on incomplete biogas plant remained idle as the agency had abandoned the project since February 2020 after receiving more than 90 *per cent* agreement amount.

A research project for development and popularization of eco-friendly technologies for paddy straw management was approved for ₹ 6.10 crore in September 2017 under the centrally sponsored Rashtriya Krishi Vikas Yojna (RKVY). Under the project, the vice chancellor of the CCSHAU, Hisar granted (November 2017) administrative approval of ₹ six crore for establishment of a biogas plant based on agricultural waste with the capacity to generate 100 kw electrical output.

After inviting tenders (December 2017) the work of biogas plant[2] was allotted to an agency in March 2018 on turnkey basis for an agreement amount of

[1] Assistant District Attorney, Accounts Officer, Assistant Accounts Officer (Establishment) and Dealing Assistant.

[2] Designing, engineering, supply, construction and commissioning of agriculture waste-based biogas electrical power generation plant not less than 100 kw electrical output. Including all mechanical, electrical, civil, structural, architectural, control and instrumentation works.

₹ 6.10 crore. As per clause 11 of the agreement, 50 *per cent* (₹ 3.05 crore) advance payment was to be made to the agency on submission of layout plan, which was made in November 2018. Next 20 *per cent* (₹ 1.20 crore) was payable as advance on completion of 50 *per cent* civil work against bank guarantee, which was paid in June 2019 (without obtaining bank guarantee). Further, 20 *per cent* payment (₹ 1.20 crore) was payable on completion of civil work, as an advance for procurement and supply of various equipment (against the earlier bank guarantee).

Audit noticed (September-October 2023) that the condition of obtaining bank guarantee was relaxed by the Central Purchase Committee of CCSHAU on the ground that the agency had executed 75 *per cent* of the civil work and had imported equipment worth ₹ 3.47 crore. The University further released ₹ 1.35 crore during January and February 2020 on the recommendation of the inspection committee and the Head of the Department, Processing and Food Engineering, CCSHAU. Thus, a total amount of ₹ 5.60 crore was paid to the agency up to February 2020. It was noticed that no work was carried out by the agency after receipt of payment in February 2020. From July 2020 onwards, the matter remained under discussion at various levels in CCSHAU, however, no action was initiated against the agency for non-completion of the project. Instead of completing the project, the agency initiated arbitration proceedings against CCSHAU in September 2021, citing its inability to complete the work due to *force majeure* circumstances. The arbitration proceedings were terminated in September 2023 due to non-payment of the arbitration fee by the agency. CCSHAU terminated the agreement in February 2024 and forfeited the earnest money of ₹ 12 lakh.

The agency abandoned the project after receiving ₹ 5.60 crore in February 2020. Resultantly, the project remained incomplete and non-functional after an expenditure of ₹ 5.60 crore (91.8 *per cent* of the agreement amount).

Thus, the CCSHAU/Committee by waiving the bank guarantee requirement undermined a crucial financial safeguard, enabled the agency to walk away from the project without facing any financial consequences/loss.

The CCSHAU stated (December 2025) that the matter was under deliberation with some agencies for making the biogas plant functional. The reply has to be seen in light of the fact that the expenditure of ₹ 5.60 crore remains idle till date (December 2025) and the possibility of expiry of warranty of the imported equipment before completion of the project cannot be ruled out.

The matter was referred to the Additional Chief Secretary to Government of Haryana, Agriculture and Farmers Welfare Department in July 2025; the reply was awaited (February 2026).

4.3 Payment of ₹ 6.37 crore on incomplete work

CCSHAU suffered a loss of ₹ 6.37 crore due to release of payment through letter of credit to a contractor without receipt of mandatory shipping and inspection documents. The contractor did not supply material after receiving the payment. Lapse occurred due to faulty terms and conditions in letter of credit. Further, recovery efforts remained ineffective.

As per Manual for Procurement of Goods, 2017 in case of procurement of imported goods, payment to the supplier is to be made through letter of credit[3] (LC) opened in a bank and must be backed by necessary shipping and inspection documentation including original invoice, certificate of origin, pre-dispatch inspection report, insurance, and shipment details. Terms and conditions of the tender document also provided that 90 *per cent* of the cost of material was payable through LC, only after submitting of documents, including copies of supplier's invoice, certificates of insurance, inspection and origin and sharing information in respect of port of loading, date of shipment, name of vessel, etc.

During audit of Chaudhary Charan Singh Haryana Agricultural University (CCSHAU), Hisar it was noticed that the University awarded (December 2018) the work of "Supply, installation, commissioning and operation of an integrated solar-based hi-tech greenhouse project" to M/s Astron Solpower Private Limited, Dehradun for ₹ 12.75 crore, with a completion period of 12 months. As per the contract, 50 *per cent* payment against LC (₹ 6.37 crore) in Phase I was to be made against supply of structural materials, photovoltaic modules and accessories, within a delivery period of three months from opening of the LC.

CCSHAU opened an LC in Dena Bank on 18 January 2019 for payment of ₹ 6.37 crore (50 *per cent* of contract price) to the contractor for a period of 90 days and the payment was due on 30 April 2019. As per terms and conditions of the LC, the shipment of goods was to be made by 26 April 2019 and the documents required for releasing LC included proforma invoice, freight insurance copy and shipment documents. However, the conditions stipulated in the LC differed materially from the tender requirements, as these clauses did not specify submission of any of the requisite documents like supplier's invoice, nor did they provide for disclosure of cost of equipment, country of origin, or inspection details. Further, the date of payment was extended twice i.e. upto 21 May 2019 and 2 July 2019 by CCSHAU due to non-completion of work of project by the contractor.

On 2 July 2019, a 12-member project monitoring committee of CCSHAU requested the Bank for withholding payment from LC as the agency had not

[3] The purchaser's bank opens the LC on behalf of the purchaser for transacting payment to the supplier's bank. The LC is opened for giving assurance to the supplier of his payment on fulfilling his obligations according to terms of the contract.

completed work of Phase I. The Bank extended LC upto 29 July 2019. On 25 July 2019, the Bank intimated Director (S&P), CCSHAU that LC could not be extended further because terms and conditions of LC did not restrict payment to the agency. Despite non-completion of work as required under the agreement, on 25 July 2019, the University's monitoring committee certified the Phase I work as satisfactory. However, on the last date of LC payment (29 July 2019), Director (S&P), CCSHAU again requested the Bank not to release payment, citing incomplete work. The Bank released the LC amount on the same day, stating the LC did not provide for withholding payment.

Eventually, CCSHAU did not receive any consignment and despite repeated correspondence, the agency did not respond. CCSHAU approached the Senior Superintendent of Police, Hisar (April 2021) for lodging an FIR against the agency for misappropriation of funds and against the Bank for releasing payment. In its inquiry (October 2021), the Police held the matter to be of a civil nature, stating no criminality on part of the Bank as the LC lacked a stop-payment clause. The agency initiated arbitration proceedings (September 2021), which were terminated in September 2023 due to its failure to deposit arbitration fee, because of ongoing liquidation process before National Company Law Tribunal, Allahabad. Between July 2023 and October 2025 CCSHAU sent multiple requests to the Police to register a case, however, FIR was not lodged.

Inspite of the contractor receiving the full amount, the work is still incomplete as on December 2025 even after lapse of six years. It is pertinent to mention that the University did not take appropriate decision either to prevent the release by incorporating the stop clause payment in LC or proper monitoring of the progress of work.

On being pointed out by Audit, CCSHAU replied (December 2025) that a court case had been filed (May 2024) in the Hisar Court for getting the FIR lodged against the agency and the Bank having next date on 20 December 2025. Further a recovery suit had also been filed (March 2025) against the agency and bank in Hisar Court, next date of hearing is 14 April 2026. Further, 16 charge sheets had been issued against the officers/teachers of the University for financial loss to the University and inquiry on charges was under process.

The matter was referred (August 2025) to the Additional Chief Secretary, Government of Haryana, Agriculture and Farmers Welfare Department; the reply was awaited (February 2026).

Department of School Education, Haryana
Directorate of Secondary Education

4.4 Utilisation of same vouchers twice resulting in suspected embezzlement of ₹ 3.95 lakh

Due to absence of effective internal controls, ₹ 24.39 lakh was irregularly transferred by the Principal of a Government School, also holding charge of Block Education Officer, to the School Management Committee of the same school. The funds were spent without submission of vouchers for 11 months after Principal's retirement. Two enquiries were conducted by the department which could not fix the responsibility. Further, audit analysis revealed suspected embezzlement of ₹ 3.95 lakh as some vouchers were found to be used twice.

As per departmental guidelines (January 2017) for construction and repair works in Government schools, a detailed estimate for each work must be approved by the competent authority i.e. the Sub-Divisional Engineer[4] or Executive Engineer[5], as applicable. Every proposal for release of grant should include an estimate, duly countersigned by the Head of the School and the District Education Officer. Details of works executed are required to be entered in the measurement book and supported with photographs. Further, for works costing more than ₹ 10 lakh, execution should be supervised by a committee headed by the Additional Deputy Commissioner of the district. Upon completion, a completion report along with a utilisation certificate, duly signed by School Management Committee and Principal and countersigned by the District Education Officer, is to be submitted to Directorate office.

Further, Rule 2.10(a) of Punjab Financial Rules Volume-1 stipulates that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Para 2.22(5) provides that all paid vouchers must be stamped "paid" or cancelled that they cannot be used subsequently.

During test check (March 2024) of records in the office of the Block Education Officer, Ganaur (Sonipat) for the period October 2014 to January 2024, Audit observed that an amount of ₹ 6.55 lakh was received in August 2019 by School Management Committee (SMC) of Government Senior Secondary School (GSSS), Village Pugthala, for construction of a boundary wall. The funds were withdrawn[6] by Shri Satya Parkash Kataria, Principal, GSSS, Pugthala within a

4 Sub-Divisional Engineer, Sarv Shiksha Abhiyan or Public Works Department (Building and Roads) or Panchayati Raj.

5 Executive Engineer, Sarv Shiksha Abhiyan or Public Works Department (Building and Roads) or Panchayati Raj.

6 ₹ 0.50 lakh to Shri Jagdish on 17 August 2019; ₹ 2.90 lakh cash withdrawal on 19 August 2019; ₹ 2.35 lakh to M/s Bajrang Cement Store on 20 August 2019 and ₹ 0.76 lakh transferred to ISRANA on 21 August 2019.

week of receipt. However, the adjustment bill was submitted in October 2023 by Shri Bijender Singh, the then Principal, GSSS, Pugthala along with supporting vouchers of ₹ 6.57 lakh[7] duly approved and signed by Shri Kataria.

During September 2019 to April 2020, Shri Kataria, Principal of GSSS, Pugthala, was also holding additional charge of Block Education Officer (BEO), Ganaur. During this period, he withdrew ₹ four lakh in cash and transferred ₹ 20 lakh to the bank account of SMC of GSSS, Pugthala between December 2019 and February 2020 for execution of civil construction works. The release of funds was not supported by approved detailed estimates from the competent authority. As Principal of GSSS, Pugthala, he further withdrew ₹ 11.70 lakh in cash and made payments of ₹ 8.69 lakh to five vendors[8] during January to April 2020. Shri Kataria retired from service on 30 April 2020 without submitting the vouchers for the total expenditure of ₹ 24.39 lakh.

The District Education Officer (DEO), Sonipat appointed (September 2020) Deputy DEO, Sonipat as inquiry officer for investigating an undated complaint against Shri Satya Parkash Kataria alleging that he had embezzled Government money between ₹ 20 to 25 lakh. As per the report (November 2020) of inquiry officer vouchers for making expenditure were not made available by Shri Kataria. A notice was issued by the DEO to him in November 2020 for submitting the record relating to withdrawn amount. He submitted utilisation certificate of ₹ 23.27 lakh in March 2021 alongwith photocopies of bills asserting that he had lost the original bills in May 2020. The funds were utilised for construction of new toilets and stage, laying of interlock tiles and repair of rooms in the school.

Subsequently, on another complaint, the Directorate office instructed (February 2021) DEO, Sonipat to investigate the allegation of financial irregularities committed by Shri Kataria while holding additional charge of BEO, Gannaur. On the directions of DEO, Sonipat, the BEO, Gannuar constituted (June 2021) a four-member committee to investigate the matter. The committee submitted its report in September 2021, observing that the expenditure incurred on works was approximately ₹ 24 lakh, which was equal to the amount transferred/ withdrawn by Shri Kataria. On the basis of this report, the Directorate office filed (November 2021) the complaint against Shri Kataria.

However, audit scrutiny of bills appended with utilisation certificate of ₹ 23.27 lakh revealed that vouchers amounting to ₹ 3.95 lakh (***Appendix 4.2***) had also been used earlier in January 2020 in support of expenditure incurred

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7 Payment of ₹ 3.70 lakh to M/s Ravinder Builders (January 2020), ₹ 1.57 lakh for labour deployed during January and February 2020; ₹ 0.75 lakh to M/s Bharat Building Material and ₹ 0.55 lakh to M/s Sachin Shuttering Store.

8 (i) ₹ 1.50 lakh to M/s Hindustan Trading Co., (ii) ₹ 3.52 lakh to M/s Bharat Building Material, (iii) ₹ two lakh to M/s Bajrang Cement Store, (iv) ₹ one lakh to M/s Sharma Hardware Store and (v) ₹ 0.67 lakh to M/s Shree Salasar Marble.

on construction of the boundary wall (₹ 6.55 lakh), indicating suspected embezzlement of ₹ 3.95 lakh. Further, the funds of ₹ 24 lakh (₹ four lakh withdrawn in cash and ₹ 20 lakh through bank transfer) were transferred irregularly by Shri Kataria to SMC, GSSS, Pugthala without having proper sanction and approval. As observed from above, there was lack of internal control mechanism in the department. The acting BEO had transferred/withdrawn a huge amount from Government account without having proper sanction and further, failed to submit the vouchers and utilisation certificate for the transferred/ withdrawn funds.

The Directorate Secondary Education, Haryana replied (December 2025) that an inquiry committee had been constituted in January 2025 to investigate the matter of suspected embezzlement from the grant released in July 2019 (for construction of boundary wall); further, it may take a longer time to finalize the report.

The reply was not tenable as despite request from Audit, the status of inquiry had not been shared. Further, as per orders of Hon'ble High Court of Punjab and Haryana (December 2022), no departmental proceedings can be initiated against a retiree after four years of retirement. Hence, belated initiation of inquiry needs to be seen in this light. The previous departmental inquiry committees constituted in September 2020 and June 2021 had not investigated the allegations properly resulting in filing of complaints despite the facts that vouchers of ₹ 3.95 lakh were utilised twice on two different works as supporting documents for expenditure.

The matter was referred (November 2025) to the Additional Chief Secretary, Government of Haryana, School Education Department; the reply was awaited (February 2026).

Higher Education Department

4.5 Wasteful expenditure on equipment/services due to procurement of equipment without ensuring user requirement

The Directorate Office violated the prescribed Rules/Instructions while procuring goods/services for Government Colleges, moreover, inability to install and utilise the equipment/services resulted in wasteful expenditure amounting to ₹ 8.72 crore.

During test-check of records (April 2024) in the office of Director, Higher Education (DHE), it was noticed that the DHE had procured services for providing Video Conferencing System, Learning Management System and ICT system for 17 Government Colleges and Directorate office from M/s ITI Limited (a Government of India undertaking). The objective was to enable principals of all the Government colleges to be accessible at a single click for monitoring purposes and to facilitate delivery of lectures remotely to college students.

The firm had submitted its commercial offer (June 2017) for supply and installation of video conferencing equipment along with a Learning Management System (LMS) for ₹ 3.84 crore in 17 colleges, with payment terms of 90 *per cent* in advance and 10 *per cent* on completion. The purchase order was issued (July 2017), and the equipment was supplied during September and October 2017. The LMS were subsequently implemented in additional 133 colleges in 2019-20. Irregularities were noticed in procurement as well as in utilisation of these systems which are discussed as under:

a. Non-installation/utilisation of Video Conferencing Equipment

Audit observed that the procurement was made on nomination basis without calling open tenders, in violation of Financial Rules[9] and State Government instructions[10] which mandate that all procurements are to be made through the Directorate of Supplies and Disposals, Haryana, by adopting open tender process except in case of proprietary items and in emergent situation. Further, as per Delegation of Financial powers (2016), purchases exceeding ₹ one crore[11] required approval of the High Powered Purchase Committee (HPPC).

It was observed that the equipment was not installed in DHE office and was found lying unused in the storeroom. Out of 17 colleges, in 14 colleges, the equipment was installed but never utilised (since March 2020) for video conferencing. In three colleges[12] the equipment was not installed.

The procurement of these items amounting to ₹ 3.38 crore was neither of proprietary nature nor of being emergent nature and was done in violation of the existing Rules without assessing the requirement.

b. Non-utilisation of Learning Management System

The Learning Management System (LMS) was a key component of the initial work order awarded to M/s ITI Limited. Subsequently, it was decided (January 2019) to implement the LMS in 95 more Government colleges. Accordingly, an agreement was executed with the firm (June 2019) for providing upgraded LMS in 112 colleges (95 + 17) at an annual cost of ₹ 2.90 lakh per college. Further, in May 2020, 38 more colleges were added, thereby extending the LMS coverage to 150 colleges. In February 2023, the Principal Secretary to Government of Haryana, Higher Education Department, approved extension of agreement period for 112 colleges up to June 2024.

9 Rule 7, Punjab Financial Rules Volume – II (Appendix 14) (applicable to Haryana State).

10 Policy guidelines on procurement of stores issued by Department of Industries and Commerce, Government of Haryana, in May 2010.

11 As financial powers (August 2016) the HPPC was authorised to finalise purchases of more than ₹ one crore. The limit was revised to ₹ five crore in February 2021.

12 Government College for Women (GCW), Bhodia Khera (Fatehabad), GCW Salaheri (Nuh) and GCW Kaithal.

In May 2021, the DHE office issued instructions to all colleges to use the LMS regularly, appoint a nodal officer for its effective implementation and directed the firm to develop a dashboard for monitoring progress at the departmental level. In response, seven colleges intimated (May 2021) that the LMS was not being used due to various reasons like poor internet connectivity, lack of support from firm and delays in uploading and mapping teacher–student data into the software. Nine test checked colleges and Government PG College Kalka reported that they were relying on free portals (Google Meet and Google Classroom) for e-learning.

Four colleges[13] intimated to the DHE office (March - April 2023) that most of the LMS users found the software less user friendly due to its operational complexity. Teachers and students preferred free and more accessible platforms (Google Classroom) for online teaching. In view of the adverse feedback, the IT Cell (DHE office) was requested (June 2023) to review the requirement of LMS in the colleges.

In July 2023, the IT cell of DHE office recommended (July 2023) for discontinuation of the LMS as it was not serving any useful purpose. On the directions of ACS, DHE committee[14] was constituted in January 2024. The committee recommended (April 2024) discontinuation of the LMS as majority of colleges had reported dissatisfaction due to inadequate vendor support, high operational costs and the system not being user friendly/conducive to effective student learning.

A total payment amounting to ₹ 7.61 crore[15] was made to the firm for the period 2019-22 without measuring and ensuring usage/outcome of LMS through monitoring using developed dash board. Invoices for the period 2022-23 and 2023-24 were awaited from the company (April 2024).

Audit noticed that the LMS was not utilised in 115 colleges since 2021-22 and in three colleges it was never used. As such, payment amounting to ₹ 3.43 crore (₹ 2.90 lakh x 118 colleges) for the year 2021-22 was made despite intimation having been received about non-utilisation of the LMS, thus rendering the expenditure unfruitful/wasteful.

DHE replied (February 2025) that due to very less usage of LMS by the colleges, further extension has not been given to the agreement. The reply corroborates the audit observation about payment made for product/service which was not found useful by end users.

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13 Kalka, Jhajjar, Hansi and Panchkula.

14 Four members from the department, five principals of colleges and one representative from the firm.

15 23 August 2022 - ₹ 2.50 crore, 16 January 2024 - ₹ 0.96 crore and 18 March 2024 - ₹ 4.15 crore.

c. *Idle investment on uninstalled ICT Equipment in four colleges*

The Higher Education Department devised (2018) program DRISHTI (Digital Revolution in Information Studies in Haryana for Transformation and Innovation) to boost digital and e-learning in all colleges. Accordingly, 36 colleges were selected for installation of IT equipment including Digital Board, E-learning Labs (comprising 20 computers), Digital podium/smart rostrum and Virtual classroom.

An indent was submitted to the Director General, Supply & Disposal, Haryana (February 2019) for procurement of IT equipment to build IT infra for 36 Government Colleges. Supply order was issued for ₹ 17.23 crore for all these 36 colleges. As per supply order (March 2019), the items to be supplied and installed in 36 colleges are detailed below.

Sr No.	Item	Quantity	Cost per unit (₹ in lakh)	Total unit cost (₹ in lakh)
1	Digital Board	36	3.15	113.40
2	E-learning Labs	36	27.00	972.00
3	Digital podium/smart rostrum	36	3.20	115.20
4	Virtual classroom	36	14.50	522.00
				1,722.60

In compliance to the terms and conditions of the supply order, payment amounting to ₹ 15.50 crore (90 *per cent*) was made to the firm within 15 days of supplying material (March 2019). The firm intimated to the Department (June 2019) that material had been supplied to all colleges within the stipulated time and that equipment had been installed in 16 colleges, while in the remaining 20 colleges the buildings were still under construction. It was assured that installation would be completed once the buildings were taken over and the firm requested for release of the balance 10 *per cent* payment of ₹ 1.72 crore. The Department released ₹ 76.56 lakh (June 2019) for the 16 completed colleges. Subsequently, the firm again requested (July 2019) release of the balance payment for the remaining colleges, contending that the delay was not attributable to them and furnished an undertaking to install the systems upon completion of the buildings. The Department released ₹ 95.70 lakh to the firm, even though installation in 20 colleges was still pending. Out of these 20 colleges, system was not even installed in four[16] colleges (January 2025) resulting in idle investment of ₹ 1.91 crore on such uninstalled equipment.

Thus, the Department made purchases of ₹ 6.81 crore (for video conferencing and learning management system) in violation of State Government Rules/ instructions, moreover, due to non-installation and poor utilisation of facilities of ICT amounting to ₹ 1.91 crore, the entire expenditure of ₹ 8.72 crore largely remained idle.

[16] Government College for Girls, Dadupur Roran (Jundla, Karnal), Government College, Assandh (Karnal), Government College for Girls Nacholi and Government College, Mohna (Faridabad).

The matter was referred (September 2025) to the Additional Chief Secretary to Government of Haryana, Higher Education Department; the reply was awaited (February 2026).

4.6 Release of payment without verifying envisaged outcomes of start-up incubators and *e-karma* project

The Higher Education Department, Government of Haryana released ₹ 17.43 crore for start-up incubators in five Government colleges without verifying outcomes against measurable deliverables and Key Performance Indicators. Similarly, ₹ 13.68 crore spent on training of 4,649 candidates under the e-Karma project was largely unfruitful, as a miniscule number could start their earnings.

With the objective of promoting entrepreneurship and self-employment among youth, the Higher Education Department, Government of Haryana initiated two major projects during 2017 to 2019; establishment of start-up incubators and *e-Karma* training programme for enabling graduates to earn through internet-based freelancing. Audit scrutiny of record at Directorate office revealed significant deficiencies in both initiatives. Audit findings are given as under:

(i) Payment made for start-up incubators without monitoring of KPI/ verifying the outcomes

With the stated objective of reducing unemployment and encouraging youth to open their own ventures, the Director, Higher Education (DHE) proposed (May 2017) to set up an Incubator-cum-Centre of Excellence at Government College, Panchkula, as a pilot project by hiring an agency having experience in fostering entrepreneurship. The agency was expected to build and manage a network of aspiring entrepreneurs; undertake marketing activities for promoting the network; validate ideas generated through open sessions; and mentoring and provide necessary handholding support to students. It was envisaged that after successful functioning of the Panchkula incubator, the initiative would be replicated in other colleges of the State.

Accordingly, the DHE floated request for proposal (RFP)(June 2017) and issued work order (August 2017) to M/s Start-up Accelerator Chamber of Commerce (SACC), Mohali for three years (extendable for further two years) at following rates:

Sr. No.	Description of work	Price (₹ in lakh)	
1	Construction and furnishing of startup incubator	63.00	
2	Managing and operation of startup incubator cum centre of excellence for three years	Year 1	60.00
		Year 2	70.00
		Year 3	70.00

While approving the financial offer of the agency, Principal Secretary, Higher Education directed (August 2017) for constitution of a committee to review the progress by identifying monitorable targets *interalia* providing number of awareness camps, number of students with ideas, number of students availing incubation, validation and testing of ideas, number of workshops/seminars and final target of startups.

These instructions were made part of the work order. The incubator at Panchkula commenced operations in December 2017. A committee for reviewing the progress was constituted in May 2018. The committee recommended measurable targets through Key Performance Indicators (KPIs) consisting of 45 deliverable targets under five categories.

In February 2019, the work order was extended to set up four more incubators (Hisar, Karnal, Gurugram, Faridabad) on the same terms. Up to March 2024, the Department had made payment amounting to ₹ 17.43 crore to the agency for these five incubators, based on quarterly reports submitted by the agency and forwarded by college principals without verification, and assessment of outcome and deliverables were not undertaken against the KPIs. It was observed that the Project Monitoring Units (PMUs) for the colleges were established only in March 2024 which visited the incubators in July 2024 and submitted largely similar reports without evaluating the performance of incubators against 45 KPIs after five years from commencement of incubators.

The agency claimed that 404 startups were incubated through the five centres. However, only 26 startups were actually found to be registered with DPIIT[17]. During test-check of incubators at Panchkula and Karnal following inconsistencies were also noticed:

(i). Records such as financial statements, bank details, registered partnership deeds, etc. relating to start-ups were not maintained at incubators.

(ii). In Karnal, partnership agreements between two or more students and rent agreements for hiring space for business were executed by the firm itself. Partnership agreements were not got registered.

(iii). In Karnal and Panchkula, details of investors, seed funding, employment generated by these start-ups, etc. were not available.

In absence of crucial information such as financial statements, investments seed funding and performance indicators for start-ups, no assurance could be derived on the viability or sustainability of startups as claimed by the agency for which payment was made by the Department.

Thus, the Department incurred an expenditure of ₹ 17.43 crore during December 2017 to March 2024 without properly evaluating performance of the agency against prescribed Key Performance Indicators and envisaged outcome deliverables targets.

[17] Department for Promotion of Industry and Internal Trade.

The Director General, Higher Education intimated (January 2026) that PMUs of four colleges i.e. Gurugram, Faridabad, Hisar and Karnal had reported (July 2024) that work was satisfactory and in line with the specified KPIs. The reply was not tenable as the PMUs had visited the incubators in July 2024 (after five years of commencement of project and after completion of project in March 2024) and their reports did not indicate evaluation of the performance of each incubator against 45 KPIs.

(ii) Low outcome of e-Karma project

To promote self-employment among unemployed graduates, the DHE formulated (February 2019) a proposal for e-Karma project aimed at enabling candidates to avail opportunities in internet-based freelancing. The objective of the project was to enhance the skills of budding freelancers by providing training in communication skills, bidding on freelancing portals and technical domains. The intended outcome was that trained candidates would be able to commence earnings after training. The proposal was approved (August 2019) with instructions that a Project Monitoring and Implementing Unit (PMU) be established for effective monitoring of the programme.

An agreement was executed (November 2019) with M/s Appworx IT Solution Pvt Ltd, Chandigarh for a period of three years to provide training services in five colleges[18] under the project, covering a minimum of 1,000 and up to 3,000 candidates per year. The cost of training was fixed at ₹ 48,000 plus applicable taxes per candidate, with 50 *per cent* payable on completion of four to six months' training and the remaining 50 *per cent* linked to the income generated by candidates. After completion of training, certification of candidates was to be jointly undertaken by the Department and the concerned college. The agency was required to submit monthly activity reports and payments were to be released by the Department only after scrutiny and acceptance by the PMU.

It was observed that the PMU was established in March 2024 after four years of commencement of the project. Moreover, no monitoring mechanism for the entire project was put in place during the project period. As per PMU's report (July 2024) and payment details, total 4,649 candidates were stated to have been trained and only 212 candidates had started earning. On the basis of PMU report (July 2024) the department released total payment of ₹ 13.68 crore.

The DHE confirmed (December 2025) that payment of ₹ 13.68 crore had been made and further stated that no extension has been granted to the project.

Thus, in both projects, due to non-monitoring the performance of the agencies on the basis of key performance indicators and envisaged outcomes, the

[18] (i) Govt PG College, Sector-1, Panchkula, (ii) Pt. Chiranji Lal Sharma Govt PG College, Karnal, (iii) Govt PG College, Hisar, (iv) Dronacharya Govt College, Gurugram and (v) Pt JLN, Govt College, Sector 16, Faridabad.

intended objectives were not realised even after incurring an expenditure of ₹ 31.11 crore.

The matter was referred (December 2025) to the Additional Chief Secretary, Government of Haryana, Higher Education Department; the reply was awaited (February 2026).

Higher Education Department
(Kurukshetra University)

4.7 Ineffective utilisation of funds under RUSA resulted in non-realisation of the intended objectives

Kurukshetra University failed to fully utilize the first instalment of ₹ 41.67 crore under RUSA as it could spend only ₹ 19.62 crore and the remaining funds were reallocated by State Project Director, RUSA to other institutions. It not only deprived the university of further RUSA grants but all sanctioned projects also remained incomplete, leading to denial of upgraded facilities to students and faculty of the university.

Ministry of Human Resources Development (MHRD), Government of India (GoI) launched the Rashtriya Uchchatar Shiksha Abhiyan (RUSA) in October 2013 as a centrally sponsored scheme to provide funding to State's Higher Education Institutions for bridging critical infrastructure gaps by augmenting and supporting the efforts of the State Governments. The scheme provides infrastructure grants to universities and colleges and envisages cost sharing between GoI and the State Government in the ratio of 60:40.

GoI selected (May 2018) Kurukshetra University (KU) from Haryana for a grant of ₹ 100 crore under Component 4 of the scheme i.e. Quality and Excellence in selected State Universities. The detailed project report of ₹ 100 crore comprised 19 projects, against which the first instalment of ₹ 41.67 crore (including ₹ 25 crore Central share and ₹ 16.67 crore State share) was released in May 2019. As per minutes of RUSA review meeting (June 2021) and subsequent instructions issued (May 2022) by the Ministry of Education, GoI, further installments were to be released only after utilisation of at least 75 *per cent* of first installment (both Centre and State Share). Despite lapse of more than five years, KU utilised only ₹ 19.62 crore (47 *per cent*) up to July 2024 ***(Appendix 4.3)***.

Audit scrutiny of records during July 2024 to September 2024 revealed significant deficiencies in implementation of projects; major findings in three test-checked projects are discussed as below:

(i) Non-utilisation of funds for designated purpose

Centre for IT and Automation (CITA) was envisaged as an interdisciplinary research collaboration centre of science, engineering and management to conduct research and run new courses on data analytics and data mining, business analytics, scientific computation/simulations, machine learning and internet of things. The project was approved for ₹ 10.25 crore by Project Approval Board (RUSA). The project comprised purchase of computers and peripherals (₹ two crore), Wi-Fi upgradation (₹ two crore), establishment of a high-performance computational lab (₹ 3.50 crore) and setting up of interactive classrooms and conference rooms (₹ 1.50 crore).

First instalment of ₹ 3.64 crore[19] was released for CITA in May 2019. Instead of formulating an execution plan and utilising funds as per the approved project, the funds were utilised by the Projects Steering Committee (PSC) RUSA of KU towards procurement of 172 computers and other peripherals for ₹ 1.60 crore. Of these, only 60 computers valuing ₹ 46.41 lakh were provided to CITA, while the remaining computers and peripherals valuing ₹ 1.14 crore were transferred to various departments for administrative[20] purposes. Thus, the expenditure was not in line with the setting up of research collaboration centre and the project remained incomplete.

The Nodal Officer RUSA, KU stated (July 2024) that the expenditure had been made as per the approved Detailed Project Report which provided for purchase of 400 computers for various branches/departments of the University. In the first phase 172 computers were purchased. Out of which, 112 were transferred to various branches/departments and 60 were kept for CITA. The reply was not acceptable, as the funds were not utilised for the designated purpose of establishing CITA with the objectives to conduct research and run new courses as envisaged in the project report and were instead used for purchases of computer and peripherals for administrative purposes.

(ii) Delay in procurement of equipment for the Centre for Advanced Material Research (CAMR)

A project costing ₹ 13.10 crore envisaged procurement of 14 research equipment for the Centre for Advanced Material Research (CAMR) ***(Appendix 4.4)***. Against this, the first instalment of ₹ 3.95 crore was released to KU under RUSA in May 2019.

Audit observed that three months after the release of the first installment, a 10-member Technical Committee (five members from KU and five from other universities of Delhi, Haryana, and Chandigarh) was constituted in August 2019 to finalise the technical specifications. The Committee finalised (February 2020) specifications of various instruments after a gap of six months. A five-member Project Action Group of KU decided (March 2020) to procure instruments through open tenders, however, no tenders were floated.

[19] ₹ 0.30 crore for training and ₹ 3.34 crore for centre development.

[20] RUSA Branch, Examination Cell, Account Branch, College Branches, etc. of the University.

The Project Action Group met again only in March 2023, i.e. after a gap of three years and then decided to utilise the pre-sanctioned ₹ 3.95 crore for purchase of a Raman Spectrometer (₹ 2.15 crore) and an X-ray Diffractometer (₹ 1.80 crore) according to specifications finalised in February 2020. Ultimately, tenders were floated only in May 2024. Only the Raman Spectrometer was eventually procured, for ₹ 2.29 crore, which was delivered in August 2024 and installed in October 2024. No bid was received for X-ray Diffractometer which could not be procured as of January 2025.

Thus, due to delays, indecisiveness and laxity, only one instrument was procured after five years of release of funds which deprived the students and faculty of the facilities of critical infrastructure augmentation.

The Nodal Officer, RUSA, KU replied that process was halted in March 2020 due to COVID-19 restrictions and withdrawal of funds from KU due to implementation of SNA (September 2021). Further, bids were not received despite floating tenders for procurement of X-ray Diffractometer.

The reply was not tenable as despite release of funds in May 2019 and constitution of committee in August 2019, the specifications were finalized only after six months in March 2020, and procurement action was not pursued thereafter. The excuse of halting of process due to COVID-19 restrictions was not maintainable, since restrictions were lifted in June 2020, but the Project Action Group did not meet for next three years. Consequently, the project remained incomplete and KU did not get ₹ 10.81 crore of the sanctioned grant.

(iii) Delay in completion of building

As per revised detailed project report of RUSA, a seven storeyed central research facility building was to be constructed for five research centres[21]. Vice Chancellor, KU accorded (January 2019) an administrative approval of ₹ 21.35 crore for construction of the building and revised the same for ₹ 26.55 crore in August 2019. Against this, ₹ 12 crore were to be funded under RUSA, of which the first instalment of ₹ five crore was released in May 2019.

KU awarded (August 2019) the work to M/s B.R.Kohli Construction Pvt. Ltd, Delhi (L1 bidder) at an agreement cost of ₹ 24.46 crore, with stipulated completion within 18 months i.e. by February 2021. Repeated extensions were granted up to March 2022 citing COVID-19 restrictions and up to March 2023 for fund constraints after implementation of the Single Nodal Agency (SNA) system, and finally up to August 2024 on the contractor's request (November 2023).

[21] (i) Centre for Advanced Material Research (CAMR), (ii) Centre for IT and Automation (CITA), (iii) Centre for Advanced Research on Earthquake Studies (CARES), (iv) Centre for Applied Biology in Environmental Science (CABES) and (v) Centre of Excellence for Research on Saraswati River (CERSR).

Audit observed that undue extension was granted to the contractor upto August 2024, notwithstanding 15 *per cent* of the work execution (February 2024) and the extension already provided for the COVID 19 period. Although a penalty equal to 10 *per cent* of the estimated cost was imposed (February 2024), the same was not enforced, as KU released (July 2024) payment of ₹ 41.35 lakh to the contractor without recovering the penalty.

As of August 2024, at overall expenditure of ₹ 3.97 crore, only 16.23 *per cent* of work was executed. Thus, expenditure of ₹ 3.97 crore remained unfruitful as the incomplete building cannot be put to any use.

As such, due to delayed decisions and laxity the KU failed to utilise the first installment of ₹ 41.67 crore received under RUSA as only ₹ 19.62 crore could be expended. KU stated (July 2024) that the primary reasons were the COVID-19 situation and withdrawal of unspent funds by the State Project Director, RUSA for implementation of the Single Nodal Agency (SNA) system in November 2021. The funds were re-released to KU in October 2022.

The reply was not acceptable as progress of work/fund utilisation continued to show slow progress beyond the COVID 19 period. Further, for implementation of SNA system, funds were withdrawn in November 2021 after 30 months of release of RUSA funds and were re-released in October 2022. The projects under the RUSA remained incomplete due to delayed decisions and laxity at university level. Resultantly, SPD, RUSA, Haryana diverted ₹ 14.88 crore (March 2024) to 27 other institutions. Consequently, depriving the students and faculty of the University of upgraded educational, research and training facilities as envisaged under RUSA.

The matter was referred (July 2025) to the Additional Chief Secretary, Higher Education; the reply was awaited (February 2026).

Transport Department

4.8 Not availing benefit of concessional user fee led to avoidable excess expenditure

Six depots of Haryana Roadways had not availed the benefit of concessional rates of user fee that was applicable for plying buses on national highways within boundaries of the districts of registration, resulting in avoidable excess expenditure of ₹ 4.65 crore on user fee.

As provided in Rule 9 (3A) of the National Highway Fee (Determination of Rates and Collection) Rules, 2008, a person, who owns commercial vehicle (excluding vehicle plying under National Permit), registered with address on the Registration Certificate of a particular district and uses such vehicle for commuting on a section of the National Highway, permanent bridge, tunnel or bypass, as the case may be, which is located within that district, shall be levied user fee on all fee plazas which are located within that district, at the rate of 50 *per cent* of the prescribed rate of fee.

Test-check of records of six[22] depots of Haryana Roadways (August 2023 - January 2025) revealed that these depots had not availed the benefit of concessional rates of user fee as provided under the Rules. Audit scrutiny of information furnished by the department showed that, during the period April 2018 to November 2024, these depots incurred an avoidable excess expenditure of ₹ 4.65 crore (***Appendix 4.5***) on payment of user fee for plying buses on sections of national highways located within the districts of registration of buses.

On this being pointed out, the General Managers of Jhajjar, Jind and Yamuna Nagar depots stated (May and August 2024) that the matter was being taken up with the Directorate office as well as with the respective toll authorities. GM Hisar (October 2025) stated that exemption in toll plaza of Badopatti and Chaudriwas was granted from August 2025. Matter is under process for remaining toll plaza. GM Sonepat (September 2025) stated that exemption in toll plaza of Bhagan was granted from July 2024. Matter is under process for Jharoti toll plaza. GM Rohtak (September 2025) stated that exemption was not granted by toll authority.

Thus, failure of concerned depots to avail the benefit of concessional user fee rates resulted in avoidable excess expenditure of ₹ 4.65 crore.

During a meeting held for discussing the audit observation (December 2025) the Additional Chief Secretary, Government of Haryana, Transport Department, acknowledged the audit findings and stated that the concessional user fee has been implemented at three toll plazas in Hisar and Sonepat districts. He further assured for taking up the matter with National Highways Authority of India to secure the concessional facility at the remaining toll plazas. Subsequently, the Director, State Transport intimated (February 2026) that out of 39 toll plazas of NHAI located in the State, concessional user fee was being implemented at only four toll plazas. Further, it was stated that the issue had been taken up (January 2026) with the Chairman, NHAI, seeking uniform implementation of the concessional user fee at all the 39 toll plazas.

[22] (i) Jhajjar, (ii) Jind, (iii) Hisar, (iv) Rohtak, (v) Sonepat and (vi) Yamuna Nagar.

Development & Panchayat Department and
Treasuries & Accounts Department (Finance Department)

4.9 Suspected embezzlement of ₹ 57.46 crore

Audit detected suspected embezzlement of ₹ 57.46 crore through unauthorized budget allocations and withdrawals using a fraudulent sanction letter and misused official login credentials. Payments were made without work orders or supporting documents, indicating serious control failures across Directorate Office (DG, D&P), District Development Panchayat Officer, Block Development Panchayat Officer and Treasury levels.

Rule 2.10 (a) of Punjab Financial Rules 1996 (applicable to Haryana) stipulates every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Each Head of Department is responsible for enforcing financial order of strict economy at every step. The expenditure should not be prima-facie more than the occasion demands.

The Haryana Government implemented the Online Budget Allocation Monitoring and Analysis System (OBAMAS) with effect from February 2010 to streamline processes related to budget allocation and reallocation. As per Budget Allocation Procedure given in OBAMAS, senior most accounts personnel from Finance Department was to be designated as Budget Controlling Authority (BCA) in each department. During budget allocation, the system displayed the object head-wise budget sanctioned for the department. A datasheet containing district-wise details of all Drawing and Disbursing Officers (DDOs) was required to be populated with object-wise amounts for each DDO. This mechanism enabled verification of allocations at the DDO level and ensured that further allocation did not exceed the total budget sanctioned to the department.

During audit (December 2024) of treasury vouchers for the months of August 2014 to October 2024 pertaining to Palwal Treasury in the office of Principal Accountant General (Audit) Haryana, it was observed that payments of ₹ 16.26 crore[23] (through 871 vouchers[24]) were made by Block Development and Panchayat Officer (BDPO), Hassanpur (District Palwal). The payments were made in the names of M/s Deepak Manpower Service and Deepak Kumar on the basis of vague and repetitive sanctions. Except for the sanction orders, no supporting documents were found attached with these vouchers.

[23] Under the detail head '2515-51-789-87-51' – Financial assistance to Scheduled Castes under State Finance Commission.

[24] ₹ 6.53 crore through 297 vouchers for October 2024, ₹ 6.28 crore through 467 vouchers for September 2024, ₹ 3.45 crore through 107 vouchers for August 2024.

For further examination of records related to these payments, an audit team visited (January 2025) the offices of the District Development and Panchayat Officer (DDPO), Palwal, the BDPO, Hassanpur and the Sub-Treasury, Hodal, where the following issues were noticed:

(i) There was an abnormal increase in budget allocation for the office of BDPO, Hassanpur during the financial years 2023-24 and 2024-25, when compared with both the preceding years (2020-21 to 2022-23) and the allocations made to peer BDPO offices i.e. Palwal, Hathin, Hodal, Badoli and Prithla. This sharp increase was primarily attributable to enhanced budget allocation under the head "Financial Assistance to Scheduled Castes - State Finance Commission". The budget allocations and corresponding expenditure for the period 2020–21 to 2024–25 are given in the table below:

(₹ in crore)

Period		**Hassanpur**	**Hodal**	**Hathin**	**Prithla**	**Palwal**	**Badoli**
2020-21	Allocation	3.42	4.18	6.33	2.75	4.49	0.69
	Expenditure	3.36	3.93	6.00	1.98	4.48	0.67
2021-22	Allocation	8.28	4.29	5.75	2.26	4.28	1.00
	Expenditure	8.27	4.27	5.67	2.21	4.23	1.00
2022-23	Allocation	7.19	10.19	9.53	3.22	4.32	3.41
	Expenditure	6.98	9.99	9.11	3.03	4.18	3.28
2023-24	Allocation	25.62	6.69	10.03	4.07	5.33	4.16
	Expenditure	25.61	6.68	9.99	3.86	5.30	4.10
2024-25 (upto 24 January 2025)	Allocation	45.68	5.66	8.90	3.97	4.26	3.65
	Expenditure	45.54	5.63	8.82	3.80	4.25	3.57

Source: Budget Availability Report provided by Sub Treasury Office Hodal and concerned BDPOs

Scrutiny of the sanctions/budget allocation letters issued by the DDPO, Palwal to BDPO, Hassanpur showed that the allocations for 2023-24 were only ₹ 4.83 crore, and for 2024-25 (up to January 2025) only ₹ 4.29 crore. Records of the DDPO, Palwal further revealed that no request was ever received from BDPO, Hassanpur for allocation of funds for making payments to M/s Deepak Manpower Service or Shri Deepak Kumar. The DDPO office also confirmed (January 2025) that it had never sought any such allocation from the Director General, Development & Panchayat Department (DG, D&P). Additionally, examination of records at both the DDPO and BDPO offices did not reveal any documentation relating to the processing or execution of agreements, or the issue of work orders to M/s Deepak Manpower Service or Shri Deepak Kumar for providing manpower or supplying materials.

(ii) Audit further noticed that the Sub-Treasury, Hodal was passing bills related to manpower services solely on the basis of a single sanction letter, which had been endorsed with an abnormally large range of endorsement numbers and used repeatedly for multiple bills submitted by BDPO, Hassanpur. During audit, the BDPO, Hassanpur denied the signatures appearing on the sanction letter and confirmed that the sanction had not been issued by his office.

As per information obtained from the Sub-Treasury, Hodal, payments totaling ₹ 57.46 crore had been made during 2023-25 (up to January 2025) in the names of Deepak Kumar (UCP No. 2D6DMP) - ₹ 7.79 crore and Deepak Manpower Services (UCP No. 3A6DN8) - ₹ 49.67 crore. These payments were processed as contingency bills/pay bills, and no purpose of expenditure was recorded therein. The details of payments made are provided in the table below:

(₹ in crore)

Name of payee	2023-24	2024-25	Total
Deepak Kumar (UCP no. 2D6DMP)	2.60[25]	5.19[26]	7.79
Deepak Man Power Services (UCP no. 3A6DN8)	14.08[27]	35.59[28]	49.67
Total	**16.68**	**40.78**	**57.46**

(Source: Payment details report provided through portal of Sub Treasury Office Hodal)

Thus, an amount of ₹ 57.46 crore was withdrawn and transferred from the office of BDPO, Hassanpur to the bank accounts of Deepak Kumar and M/s Deepak Manpower Services during 2023-24 and 2024-25 through the Sub-Treasury, Hodal without any proper sanction or authorisation. These withdrawals resulted in expenditure far exceeding the justified budgetary requirements of BDPO, Hassanpur and were made without availing any services or procuring any materials from the above-mentioned payees.

The DDPO, Palwal stated (January 2025) that the matter had been referred to the Anti-Corruption Bureau (ACB), Haryana for investigation and that the concerned banks had been requested to seal the bank accounts of Deepak Kumar and M/s Deepak Manpower Services. Further, an FIR had been filed (January 2025) by the DG, D&P for unauthorized allocation of funds from the Accounts Branch of the office of DG, D&P without requisite approval, allegedly through misuse of official computer IDs and passwords to facilitate illegal fund transfers. Subsequently, frivolous bills were generated from the office of BDPO, Hassanpur to transfer these fraudulently allocated funds to specific private entities, namely M/s Deepak Manpower Service, Deepak Kumar, and other payees.

On being enquired about the manner in which funds were allocated by the Budget Controlling Authority (BCA) at the office of DG, D&P without proper sanction from the competent authority, the Commissioner and Secretary, Haryana Government, Development and Panchayat Department stated (October 2025) that the BCA had not released any budget without approval of competent authority.

It is pertinent to mention that the State Government has introduced two factor authentication through one time password (OTP) on OBAMAS only from

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25 ₹ 2.42 crore (pay bills/salary), ₹ 0.18 crore (contingency bills).

26 ₹ 1.53 crore (pay bills/salary), ₹ 3.66 crore (contingency bills).

27 ₹ 0.26 crore (pay bills/salary), ₹ 13.82 crore (contingency bills).

28 ₹ 4.15 crore (pay bills/salary), ₹ 31.44 crore (contingency bills).

February 2025 by mapping of users' unique codes with their mobile numbers. As such, allocation of budget could be made by BCA/BCO only after verification of OTP sent on their mobile numbers and bills can be submitted to treasury only after verification of OTP sent to the DDO.

Thus, suspected embezzlement of ₹ 57.46 crore occurred due to failure of checks and monitoring at multiple levels i.e. at the Accounts Branch of the Directorate (DG, D&P), where funds were unauthorisedly allocated through alleged misuse of official computer IDs and passwords; at the DDPO level, from where these funds were subsequently transferred to BDPO, Hassanpur without verification of legitimacy; and at the Treasury level, where payments were processed without proper sanction, supporting documents or invoices from the payees.

Chandigarh **(ASHUTOSH SHARMA)**
Dated: 23 July 2026 **Principal Accountant General (Audit), Haryana**

Countersigned

New Delhi **(K. SANJAY MURTHY)**
Dated: 11 August 2026 **Comptroller and Auditor General of India**