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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE

(2007-2008)

(SIXTY FIRST REPORT)

REPORT

ON THE

REPORT OF THE

**Comptroller and Auditor General
of India for the year ended
31st March, 2002 (Civil)**



(Presented to the House on 19th September, 2007)

**HARYANA VIDHAN SABHA SERETARIAT,
CHANDIGARH
2007**

TABLE OF CONTENTS

Paragraphs Page(s)

Composition of Public Accounts Committee

(iii)

Introduction

(v)

Report on the Report of the Comptroller and
Auditor General of India for the year ended
31st March 2002 (Civil)

General

1-2 1

1 Development and Panchayat

3 2-3

2 Small Savings

4 4-5

3 P W D (B&R)

5-8 6-17

4 P W D Public Health

9-12 18-22

5 Rural Development

13-23 23-41

6 Animal Husbandary

24 42

7 Agriculture

25 43

8 Town And Country Planning

26 44-45

9 Food and Supplies

27 46-48

10 General

28-31 49 57

11 Education Department

32 58-59

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2007-08)

CHAIRPERSON

- 1 Shri Shamsher Singh Surjewala

MEMBERS

- 2 Shri Venod Kumar Sharma
- 3 Shri Tejender Pal Singh Mann
- 4 Dr Sita Ram
- 5 Maj Nirpender Singh Sangwan
- 6 Smt Sumita Singh
- 7 Rao Yadvender Singh
- 8 Shri Sukhbir Singh Jaunpuria
- 9 Shri Kulvir Singh Beniwal

SECRETARIAT

- 1 Shri Sumit Kumar Secretary
 - 2 Shri Kuldip Singh Additional Secretary
-

INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Sixty First Report on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)

2 The Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil) was laid on the Table of the House on 5th March 2003

3 The Committee examined the Report of the Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil) and also conducted the oral examination of the representatives of the concerned departments. The Public Accounts Committee in its meeting held on 10.4.2007 under rule 231(9) has appointed its Sub Committee from amongst its Members to identify/scrutinize all the paras or remaining Reports of the C&A G of India which involve huge financial irregularities and require to be discussed by the whole Committee and to scrutinize the replies received from the departments in respect of implementation of recommendations made by the Committee in its various Reports and to make further observations thereon. The Sub Committee has partly scrutinized/identified important paras of the C&A G Report for the year 2001-2002 (Civil and Revenue Receipts) and for the year 2002-2003 (Civil) and also scrutinized the replies received from the departments in respect of implementation of recommendations made by the Committee in its various Reports and made further observations thereon.

4 The Committee undertook on the spot visits of various schools under Sarv Shiksha Abhiyan in Kaithal districts on 16-4-2007. The Committee also undertook on the spot visits of Agricultural farms at CCS Haryana Agricultural University Hisar and the Govt. Livestock Farm Hisar on 25th and 26th August 2007 respectively.

5 The Committee considered and approved this Report at their sitting held on 11th September 2007.

6 A brief record of the proceedings of the meetings of the Committee has been kept in the Haryana Vidhan Sabha Secretariat.

7 The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit) Haryana and his officers. The Committee would like to express their thanks to Financial Commissioner and Principal Secretary to Government Haryana, Finance Department and other officers of Finance Department and the representatives of the various departments who appeared for oral evidence before them for the co-operation in giving information to the Committee.

8 The Committee is also thankful to the Secretary, Additional Secretary and officials of the Haryana Vidhan Sabha for the whole-hearted co-operation and assistance given by them to the Committee.

Chandigarh
The 11th September 2007

SHAMSHER SINGH SURJEWALA
CHAIRPERSON

REPORT

GENERAL

1 The Committee for the year 2007-2008 was nominated on 7th April 2007 by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 13th March 2007 authorizing him to nominate the Members of the Committee on Public Accounts of the year 2007-2008

2 The Committee held 28 meetings in all at Chandigarh and other places upto 11th September 2007

DEVELOPMENT AND PANCHAYAT DEPARTMENT

[3] 3 2 *Non responsiveness to audit findings and observations resulting in erosion of accountability*

A review of the Inspection Reports (IRs) revealed that the response of the department for submitting the replies was very poor and wherever submitted these were incomplete as a result of which these could not be settled. Even the initial replies which were required to be received from the Head of Offices within six weeks from the date of issue had not been received (June 2002) in respect of 45 IRs issued between December 1998 and March 2002. The Secretary Development and Panchayat Department who was informed of the position through half yearly reports also did not ensure that the concerned officers of the department take prompt action. As of June 2002 646 paragraphs relating to 276 IRs involving Rs 24.78 crore remained outstanding from 116 offices. Of these 73 IRs containing 111 paragraphs had not been settled for more than 10 years. Year wise position of the outstanding IRs and paragraphs is given in Appendix XI.

The following serious irregularities commented upon in these IRs had not been settled as of June 2002

Nature of Irregularities	Number of paragraphs	Amount (Rs in crore)	Period
Non obtaining/non production of utilisation certificates in respect of grants sanctioned to the Gram Panchayats and wanting actual payees receipts from firms/departments	89	11.77	June 1986 to December 2001
Non recovery/short recovery of unspent grant/loan/advance and non refund of money/avoidable liability of interest	15	0.45	April 1981 to August 2000
Misutilisation/non utilisation of scooter advance	8	0.03	February 1991 to January 2001
Non production of records/ irregularity in T A bill/ register	27	0.04	May 1983 to November 2001
Excess/irregular/wasteful expenditure on salaries/LTC/ TA/Daily wages and interim relief	150	2.36	February 1982 to February 2002
Non condemnation of old unserviceable articles/ vehicles and non-disposals of condemned store articles/vehicles	37	0.05	February 1990 to December 2001
Irregular/unjustified/uneconomical and improper purchase/ expenditure	41	0.32	September 1986 to January 2002
Irregular retention of Government money/loan/release of funds/blockade of funds and excess expenditure over budget	81	4.28	November 1984 to February 2002
Miscellaneous expenditure/cash book	198	5.48	May 1981 to February 2002
Total	646	24.78	

Despite these irregularities having been pointed out in audit the inaction against the defaulting officers facilitated continuation of serious financial irregularities and loss to the Government

The department in their written reply stated as under —

Progress Report in respect of the paras of the Report for CAG of INDIA as on 31-6 07

Report	Para No	Subject	Progress/present Position		
2001 2002	3 2	Non Responsiveness to Audit Findings and Observations Resulting in Erosion of Accountability Audit Paras 646 for the period ending on 31 3 02 involving the financial irregularities worth 24 Crore & 78 Lakhs	As per details given in CAG Para No 3 2 there are 646 outstanding Audit Paras having financial implication of Rs 24 78 Crore Now out of total 646 audit paras only 149 involving financial implication of 14 31 crore are pending upto the period ending 31 3 2007 The detail of which is as under —		
			Department	No of paras pending	Amount involved
			Development Deptt	99	1 99 crore
			Panchayat Deptt	50	12 32 crore
			Total	149	14 31 crore
			The rest of 497 audit paras have been settled by the Accountant General Haryana on the basis of compliance made by the department In this regard several meeting with Accountant General Haryana have been convened The compliance of some of the outstanding paras have been sent to Accountant General Haryana but no information regarding its status have been received Personal efforts are being made to get these paras settled in the next meeting		

The Committee desired that the latest position in this regard may be intimated and all out efforts may be made to settle the outstanding audit paras A compliance report in this regard may be sent to the Committee after a period of three months

SMALL SAVINGS DEPARTMENT

[4] 37 Misutilisation of incentive/award money

Misutilisation of incentive/award money amounting to Rs 1 30 crore on items not covered under Promotion of Small Savings

For the promotion of small savings in the State the Director Small Savings Haryana releases *ad hoc* incentive/award money to the Deputy Commissioners (DCs) every year. This scheme is in vogue since 1981-82. As per instructions (October 1989) these incentive/award money was to be spent on publicity campaigns, cultural functions, office automation machines, sports and games, welfare of Government employees, etc.

Test-check of records (October 2000 to March 2002) of Small Savings accounts maintained by 19 DCs revealed that Rs 1 30 crore of the award money for the period April 1998 to March 2002 was spent on the items not covered under the aforesaid instructions as detailed below:

Rupees in lakhs								
Name or DC Office	Period of transaction	Incentive/award money sanctioned	Purchase of furniture	Purchase of mobile/pager/EPABX/(Telephone Bills	Purchase of AC/Generator/Inventor/Refrigerator	Purchase and repair of vehicles	Other items	Total amount diverted
1	2	3	4	5	6	7	8	9
Ambala	August 1998 to March 2002	44.32	0.34	0.95	0.02	1.21	4.85	7.37
Bhiwani	May 1998 to March 2002	31.26	2.37	2.19	0.97	1.15	6.48	13.16
Faridabad	April 1999 to March 2002	42.70	1.80	5.86	0.30	3.32	4.52	15.80
Fatehabad	April 1998 to March 2002	20.44	1.55	0.57	0.74		3.60	6.46
Gurgaon	April 1998 to March 2002	33.14	0.49	3.16	1.29	0.29	7.02	12.25
Hisar	March 1999 to March 2002	24.02	0.80	0.41	0.24	0.05	2.44	3.94
Jhajjar	April 1998 to March 2002	20.60	0.76	0.83	1.56	0.33	1.35	4.83
Jind	July 1998 to March 2002	25.12	2.89	0.36		0.37	6.38	10.00
Kaithal	April 1998 to March 2002	19.48	1.18		0.39	1.73	2.23	5.53
Karnal	July 1999 to March 2002	33.22	0.36	0.56	0.39	0.06	1.94	3.31

1	2	3	4	5	6	7	8	9
Kurukshetra	December 1999 to March 2002	18 84	0 40	0 06	0 25	0 10	0 29	1 10
Narnaul	April 1998 to March 2002	20 94		0 25		1 45	1 37	3 07
Panchkula	August 1998 to March 2002	25 00	0 24	0 17	0 17		1 33	1 91
Panipat	April 1998 to March 2002	23 76	3 98	1 23	1 12	0 85	2 20	9 38
Rewari	January 2000 to March 2002	17 04	0 43	0 06		0 20	0 16	0 85
Rohtak	May 1999 to March 2002	30 00	2 41	0 75	0 26	0 39	9 19	13 00
Sirsa	August 1999 to March 2002	20 12	0 50	0 21		0 01	1 53	2 25
Sonapat	February 2000 to March 2002	18 82	1 45	0 19	1 78	0 62	1 30	5 34
Yamuna nagar	February 1999 to March 2002	28 82	2 18	2 05	0 47	3 09	3 00	10 79
Total		497 64	24 13	19 86	9 95	15 22	61 18	130 34

This resulted in misutilisation of incentive/award money of Rs 1 30 crore

DC Panchkula admitted the facts and stated (February 2002) that the funds were utilised for smooth running of the newly created district while DCs at Bhiwani Jhajjar Kaithal and Sonapat stated (January 2002 July 2002) that these items were purchased to have better co ordination with agents/field functionaries and for smooth working of the offices. The replies of the DCs were not tenable as the expenditure incurred on the purchase/repair of vehicles mobile phones/pagers/payment of telephone bills furniture air conditioners etc were not covered under the defined objectives of the scheme.

The matter was referred to the Government in January 2002 their reply had not been received (August 2002)

The department in their letter dated 12 4 2007 stated as under —

In this connection it is stated that the information regarding Para No 3 7 is still awaited from 8 districts i.e. Ambala Faridabad Jind Kaithal Karnal Panipat Rohtak and Sonapat. Every district is being provided by the award money for utilization according to the guidelines issued by the Directorate. Therefore the reply of the para is to be prepared on the basis of information received from the concerned districts. Efforts are being made to collect the requisite information from 8 districts. Therefore it is requested that this issue may be made pending for time being and as soon as the information received the reply will be sent to your office immediately.

No further reply was received till the finalization of report. The Committee desired the department to collect the information from field the offices and send the same to the Committee within a period of two months, for its consideration.

**PUBLIC WORKS DEPARTMENT
(BUILDING AND ROADS BRANCH)**

**[5] 4 1 Integrated Audit including Manpower Management of Building and Roads
Branch of Public Works Department**

4 1 5 Human Resource Management

(iii) Excess expenditure on establishment

According to norms the expenditure on establishment should not exceed 25 per cent of works expenditure. Notwithstanding these norms excess expenditure of Rs 58.48 crore was incurred as detailed below —

Year	Works expenditure	Expenditure on establishment	Permissible establishment expenditure at 25 per cent of works expenditure	Excess expenditure on establishment
1999-2000	288.73	105.74	72.18	33.56
2000-2001	344.88	111.14	86.22	24.92
2001-2002	520.58	109.87	130.14	—
Total	1154.19	326.75	288.54	58.48

The department in their written reply stated that the complete details of regularization of service of daily wages/work charge Staff grant of Higher Standard Scale as well as ACP and other things mentioned in the main reply to Audit para year wise from 1999-2000 to 2001-02 are being collected from field offices by Supdt. E-III.

The Committee desired that the said details may be collected and sent to the Committee within a period of three months.

[6] (iv) Nugatory expenditure

To cater to stores requirement of five Mechanical Divisions of PWD (Building and Roads) a stores division with five sub divisions was created (May 1979) at Karnal.

Test check of records of Stores & Procurement Division, Karnal revealed that in its 3 sub divisions stores valuing Rs 38.37 lakh only were handled during the period April 1999 to January 2002. Against this the establishment expenditure was Rs 64.56 lakh. No norms for deployment of staff were fixed and sub divisions continued with inadequate work.

The department in their written reply stated as under -

It is intimated that this sub para relates to S&P division, Karnal. The Mech. Wing looks after departmental works of repair of different type of machinery being utilized in the department on different construction works and for maintenance/repair of machinery in Departmental workshop. Stores are urgently required as such in such cases expenditure on work can not be compared with establishment expenditure. It is also intimated that the divisions have been abolished during re structuring in view of Audit Observations since 31.1.2003.

The Committee desired that complete details of the case alongwith the information of the incharges of the sub divisions and stores in question may be supplied to the Committee

[7] 4 1 7 Programme Management

(b) Reimbursement claims

Against claims of reimbursement of expenditure aggregating Rs 346 78 crore preferred by the State Government Rs 246 58 crore was only reimbursed by MORT&H during 1999 2002 leaving a balance of Rs 100 20 crore which was disallowed/withheld/awaiting reimbursement

Out of Rs 100 20 crore Rs 2 66 crore was disallowed due to non adoption of MORT & H specifications of heating the bitumen on boiler instead of using fire wood and non regularisation of excess expenditure over and above the sanctioned estimates and Rs 5 59 crore spent on inadmissible items Besides reimbursement of Rs 61 crore had been withheld for want of requisite documents Claims worth Rs 30 95 crore pertain to February March 2002 and were awaiting reimbursement (June 2002)

The department in their written reply stated as under —

The reply in respect of reimbursement is being collected from field offices by Executive Engineer (P-I) and the same will be sent in due course

The Committee desired that information as stated in the reply may be sent to the Committee

[8] 4 1 8 Execution of works

(i) Unfruitful expenditure due to defective construction of link road

The EE Bridge Construction Division Chandigarh constructed (August 1998) a link road between village Jallah and Mandana via Thapli in Panchkula district at a cost of Rs 93 lakh except for a stretch of 300 metres This stretch of 300 metres was passing through forest land and construction of this road required prior permission from the Central Government This had not been obtained Thus the road so far constructed remained unutilized leading to unfruitful expenditure of Rs 93 lakhs Additional Deputy Commissioner during inspection also noticed (November 1998) that gradient near village Thapli was so high that heavy vehicles could not pass through the road Approval of alignment and technical sanction had not been obtained from CE (Roads)

(ii) Infertuous expenditure on repair work without survey

On the basis of survey conducted during 1995 97 by a Private consultant firm hired for the World Bank Project the works of periodic maintenance of (i) Gohana Jind-Barwala road and (ii) Assandh Jind road were taken up by the Provincial Division Jind in November 2000 and August 2000 under the Haryana Highway Upgradation Project (HHUP) Both the works were allotted to an agency by the Chief Engineer (HHUP) at a cost of Rs 14 23 crores and Rs 7 17 crores respectively No fresh survey regarding condition of roads was conducted before allotting the works (August 2000) During execution of works (October 2001) the executing agency complained that in some reaches the sub base of the roads had got damaged/sunk after

bituminous macadam was laid and profile corrective course works were required to be undertaken. The agency requested for taking up corrective measures for strengthening the existing sub base and demanded extra payment as per rates in the agreement on account of reconstruction of damaged portion. Rs 67.75 lakhs Rs 19.35 lakhs in Gohana Barwala road and Rs 48.40 lakhs in Assandh Jind road were paid to the agency for relaying bituminous macadam and profile corrective course which had got damaged due to failure of sub-base. Failure to get the fresh survey conducted before allotting the works resulted in infructuous expenditure of Rs 67.75 lakhs.

(iii) Avoidable Expenditure

MORT&H sanctioned (December 1997) a revised estimate for the work of Widening of 4 lanes including strengthening of existing pavement National Highway I (NH I) from km 50 to 130 for Rs 27.32 crores. Estimate contained provision of Rs 22.40 lakh for cutting (Rs 12.81 lakhs) carriage/removal (Rs 9.59 lakhs) of 15,075 cum coal and foundry slag dumped by various foundries in restricted area of Government land in Samalkha Town. However the expenditure on this item was restricted to that already incurred till date (December 1997) and no further cutting and removal from the green belt was to be taken up.

Test check of records (December 2000) of the EE Provincial Division II World Bank (WB) works Panipat revealed that Rs 17.31 lakh had already been paid to an agency A for the work of cutting and carriage/removal of coal and foundry slag on the above area of the road before the date of sanction of the estimate (December 1997).

It was further noticed that another payment of Rs 21.64 lakhs was made (February 2001) to agency B for similar items of work executed during September to December 2000 other than those covered in payment of Rs 17.31 lakhs in the same section of NH 1 after getting the quantities and rates approved (January 2001) as non scheduled items from the Chief Engineer (NH) PWD (B&R) Haryana despite a decision not to allow further cutting and removal in December 1997.

Thus failure of the departmental officers in preventing encroachment on Government land in their charge as per codal provisions resulted in avoidable expenditure of Rs 21.64 lakhs on clearance of coal and foundry slag. No action to fix responsibility of defaulting officer(s) had been initiated (March 2002).

(iv) Undue financial aid to an agency

Bids for the construction of Four Lane Road Over Bridge on Delhi Agra Railway line at Faridabad New Town Railway Station on Built Operate Transfer (BOT) basis were invited by the department in January 1998. As per terms of the bid notice the entrepreneur was to make arrangements for financing the project from his own resources and collect Toll fee from the vehicles. The work was allotted (December 1998) to an agency for an ownership right of eight years nine months plus ninety days (including construction period of 2 years). The scope of work inter alia included construction of the bridge which was under construction at that time. Contrary to the terms of agreement it was decided (December 1998) that initially Rs 4 crores towards construction cost of the bridge would be paid by the department to Railway Authorities on behalf of the agency which would be reimbursed by it to PWD at the rate of Rs 30 lakhs every six months. First instalment was to be paid on allotment of work. The work was completed and the agency started collecting Toll fee from October 2000 onwards. However the agency

stopped payment of further instalments after depositing four instalments of Rs 30 lakhs each up to June 2000. This resulted in undue financial aid of Rs 4 crores to the agency and loss of interest of Rs 90 lakhs upto March 2002 besides non recovery of Rs 2.80 crores and interest thereon. No action was taken by the department to recover the amount.

(v) Unjustified expenditure on laying of premix carpet prematurely

In three Provincial Divisions work of special repairs in various kms of 3 roads namely (i) Hansi Barwala Road (ii) Barwala-Jind road and (iii) Sirsa Ellanabad road were executed during 1998-2000. Apart from other items the special repair works included 20 mm thick premix carpet including tack coat with B type seal coat. According to norms fixed by the department renewal coat on roads is laid after an interval of 5 years where bitumen had been used. Accordingly every year certain stretches of a road are selected in such a manner that the work of renewal coat on the entire length of the road is completed within a cycle of 5 years.

The works of periodic maintenance of these roads were also taken up by the department under HHUP and the works in the entire length of these roads were allotted to various agencies during October-November 2000. The works including widening of existing width of road from 5.50 to 7.00 metres, laying of tack coat, bitumen macadam 50 mm and mixed seal surfacing in the entire portion of the road were executed by the agencies during 2000-2002.

In audit it was noticed that in certain reaches the work was allotted though the work in these reaches had already been done during preceding five years and renewal coat was not due. Thus laying of premix carpet prematurely in the same reaches resulted in avoidable expenditure of Rs 3.10 crores.

On being pointed out the concerned EE stated that these works were being executed on the basis of works allotted by the Head Office and bituminous macadam were laid in full length of the roads to improve the riding qualities keeping in view the traffic intensity and axle load. The reply was not tenable as the earlier works were also stated to have been executed strictly in accordance with PWD specifications which were to last for 5 years. Besides no fresh survey or traffic intensity and axle load was undertaken by the department before taking up the works on these roads.

(vi) Irregular time extension for delay in completion of works

Periodic maintenance of SH 14 Panipat-Safidon-Jind (66.5 km) road under HHUP was allotted to a firm during November 2000 with the condition to reach the Mile Stone I i.e. completion of 37 kms by 26 July 2001 and the entire work by 26 November 2001 at a cost of Rs 11.98 crore. As per clause 49 of the contract the liquidated damages for the whole work was Rs 1,25,000 per day and that for the milestone Rs 83,000 per day subject to a maximum amount of 10 per cent of final contract price recoverable for delayed completion of works.

The Engineer-in-Chief granted the extension up to 20 November 2001 in case of Milestone I and for entire work up to 20 March 2002 on the grounds of (i) delay in grant of mobilisation advances and equipment advance (ii) weather conditions and (iii) delay in deciding the Executive Engineer incharge. These were not based on facts as (i) there was delay of only 44 days in release of advance while the extension was granted for 115 days (ii) whether conditions were taken into account at the time of allotment of contract.

Thus due to grant of irregular extension of 71 days liquidated damages of Rs 88 75 lakhs could not be levied on the contractor

(vii) Extra payment on account of price variation

Provincial Division No II Panipat allotted the work of widening of 4 lanes including strengthening of existing carriage way from km 50 to 74 80 of NH I to a contractor in April 1992 for completion by December 1995 extended up to 6 May 1996 Under clause 70 of the contract the price was subject to adjustment on account of general variation of price or materials till expiry of the contract period or such extended time as granted by the Engineer But no variation was admissible if cost incurred was due to the default or negligence on the part of the contractor The agency failed to complete the work within the extended period i.e. up to 6 May 1996 The agency again requested (April 1996) to extend the time limit up to 31 May 1997 to complete the project The Chief Engineer (NH) Haryana PWD B&R granted extension of time upto 31 May 1997 As such variation of price was not to be allowed beyond 6 May 1996 to the agency In contravention the agency was paid Rs 94 49 lakhs on account of variation of price during the period 7 May 1996 to 28 January 1999 This resulted in extra payment of Rs 94 49 lakhs to the firm No responsibility in the matter had been fixed

(viii) Extra expenditure due to excess consumption of bitumen

The work for strengthening of Sher Shah Suri Marg (NH I) km 29 295 to 50 (New Carriage Way) was allotted (September 1998) to a contractor at a cost of Rs 4 79 crores by the EE Provincial Division III Karnal As per DNIT 4 *per cent* and 4 5 *per cent* of bitumen Content by weight of the total mix as binder was to be used for providing and laying 100 mm thick compacted dense bitumenous macadam (DBM) and providing and laying 40 mm thick compacted bitumenous concrete (BC) respectively The Job mix formula for these items of work was to be got approved from Central Road Research Institute (CRRI) During audit (July 2000) it was noticed that job mix formula was sent to Central Road Research Institute in December 1998 who informed (July 1999) the divisional office that the aggregates of job mix formula of both DBM and BC given by the contractor were of stripping variety and with the use of these aggregates it was not possible to conform to specified percentage of bitumen thereafter Instead of asking the contractor to change aggregates the EE allowed (May 2000) consumption of bitumen at 5 2 *per cent* in case of DBM and at 5 7 *per cent* in case of BC resulting in extra payment of Rs 52 43 lakhs The Divisional Officer stated (February 2001) that the bitumen was treated with suitable dose of anti stripping agent The reply was not tenable as the contractor was allowed excess consumption of bitumen resulting in the extra expenditure of Rs 52 43 lakhs instead of asking him to change the quality of aggregates

(ix) Extra expenditure due to non adoption of specification in applying tack coat

In Provincial Division Narwana tack coat had been applied with 5 kilograms (kgs) bitumen for 10 square metres are instead of 2 5 kgs bituminous emulsion During 2001-2002 eight works had been executed and 306 metric tonnes (MT) of bitumen had been consumed instead of 122 MT of bituminous emulsion resulting in extra expenditure of Rs 15 30 lakhs The EE stated (February 2002) that the bitumen consumption was as per PWD specifications Reply was not correct as CE (Roads) had issued instructions (March 2000) to use bitumen emulsion for such works as per MORT&H specifications (third revision of 1995)

(x) Unfruitful expenditure/infructuous expenditure on incomplete works

(a) 28 new roads/duplicate link roads at an estimated cost of Rs 6.19 crores were undertaken by three divisions during 1995-97. After partially completing the earth work during November 1996 to November 2000 at a cost of Rs 1.68 crores further works were stopped on these roads. The incomplete roads were lying in a state of neglect and no efforts were made by the department to ensure the completion of these roads.

The Divisional Officers of Provincial Divisions replied that these roads were constructed upto earth work level and thereafter no funds were allotted. Thus taking up the works without ensuring the availability of funds resulted in unfruitful expenditure of Rs 1.68 crores on incomplete roads.

(b) The work regarding construction of Jhajjar bye pass was approved by the Government in August 1996 for a length of 4.53 kms at a cost of Rs 4.11 crores. The Provincial Division Jhajjar completed the earth work in a length of 4.00 kms at a cost of Rs 93.77 lakhs during 1997-98. Tenders for the remaining work were invited in February 1999 but were not approved by the Government on the plea that Bawal Rewari Jhajjar Rohtak road had been declared as National Highway and MORT&H would be requested to complete the pending work. On being asked the MORT&H intimated (October 1999) the department that stretches of the newly declared National Highways where development projects were in progress should be completed by the State Government and handed over to the National Highway wing only after completion.

In audit (December 2001) it was noticed that no action to complete the balance work was taken up by the EE in order to protect the already executed work and make the road functional. Due to non completion of work the bye pass could not be handed over (March 2002) to the National Highway Authorities (GOI) thus tendering the earthwork of Rs 93.77 lakhs as infructuous.

(xi) Loss due to lapse of bank guarantee

The work periodic maintenance of State Highway No. 14 was allotted to an agency in February 2000 at a cost of Rs 8.98 crores for 60 kms which was later enhanced to Rs 9.93 crores to be completed by 23 February 2001. According to work programme the agency was required to complete the work in 33 kms by 23 October 2000 and the remaining 27 kms by 23 February 2001. On submission of bank guarantee for Rs 44.90 lakhs the agency was paid mobilisation advances of Rs 44.90 lakhs in February 2000. The progress of work was very slow and never reached the desired level of work programme as mentioned in the contract. The agency completed only 2.89 per cent of work against the requirement of 55 per cent work as on November 2000. The work was totally stopped by the agency in December 2000. In between two bank guarantees amounting to Rs 30 lakhs submitted by the agency lapsed and these were not got renewed/encashed. On failure of the agency to resume work the contract was terminated (August 2001) by the department and Rs 1.50 crores was recoverable from the agency for which recovery proceedings were not initiated (April 2002). By not getting the bank guarantees of Rs 30 lakhs renewed/encashed the SE Jind Circle (Engineer in Charge of the work) bestowed undue favour to the agency. No responsibility in the matter was fixed by the department.

(xii) Loss of revenue due to non levy of Toll-fee

To improve the condition of State roads the State Government had raised (March 2000) a loan of Rs 173.92 crores from Housing and Urban Development Corporation (HUDCO). To repay the loan and interest to HUDCO it was decided by the State Government to levy Toll fee at 16 points after improvement of State highways.

In Provincial Division Rewari and Provincial Division I Sonapat periodical maintenance works of two State highways namely Rewari Ateli Namaul road and UP Border Sonapat Gohana road were completed at a cost of Rs 22.93 crores in August 2001 and November 2001 against the scheduled date of completion of March 2001 and November 2001 respectively. Both these roads were identified for levy of Toll fee to be levied immediately on completion of these works. In audit it was noticed that no Toll fee was levied on these roads as of March 2002 which resulted in loss of revenue of Rs 1.53 crores (Rewari Rs 80.50 lakhs, Sonapat Rs 72.67 lakhs). Reasons for non levy of Toll fee were not on record. Reply of EIC was awaited (July 2002).

(xiii) Unfruitful expenditure on construction of staff quarters

The work of construction of nine staff quarters in Government College Loharu was administratively approved (March 1997) by the State Government for Rs 26 lakhs. The work was allotted (May 1998) to a contractor for Rs 19.27 lakhs and was to be completed by 13 November 1998. The contractor completed 70 per cent of the work (March 1999) and was paid Rs 19.14 lakhs. The balance 30 per cent of work was held up due to non-sanction of revised cost estimate of Rs 43.87 lakhs submitted in April 2001. Due to incorrect preparation of original estimate and delay in preparation of revised estimate the partially constructed staff quarters at a cost of Rs 26.53 lakhs including Rs 7.39 lakhs on account of cost of construction of boundary wall etc. against a separate estimate were lying unutilized.

The department in their written reply stated as under —

(i) It is intimated that road was constructed under Shivalik Development Authority as the land was made available by the Shivalik Development Authority. The land in question is of Forest Department and Private Party and necessary verbal consent was taken from private party. The cost of land was not included in the sanctioned estimate and expenditure incurred on this work. The road on forest land was constructed on Forest Track already available and no claim was made by the Forest Department. It is also intimated that the road is traffic worthy as road was constructed as per approved alignment in the structure on sharp hilly area with limited gradient and full use at road is being made by people of this backward area. The road is motorable and hence the expenditure cannot be treated as unfruitful expenditure.

Executive Engineer, Constn. Divn. Chandigarh has been directed to intimate the circumstances under which the work was executed without obtaining written consent from Forest Department and Private Party vide this office memo No. 1019/Audit dated 23.4.07.

(ii) It is intimated that the payment of PCC/tack coat in reaches mentioned in para have been made. There was slight distresses in the reaches except RD 32.19 to 32.34 where distress was abnormal. The G.M. of the company wrote the letter to

the Deptt only due to fear in his mind so that he can claim if there is any failure lateron There is no failure in RD (i) 21 13 to 22 33 (ii) 19 20 to 20 (iii) 32 16 to 32 19 (iv) 32 34 to 32 52 and work has been completed as per DNIT in these reaches after correcting slight distresses and no duplicate payment has been made in these reaches

However there was sub grade failure in RD 32 19 to 32 34 where reach has been repaired by pdg from E/W GSB & W B M beneath BM & M S S PCC paid in this reach has been deducted vide M B No 3092 page 148 149 Agency has also agreed to delete this tack coat/PCC in reach RD 32 19 to 32 34 vide letter Maytas/HHUP/ M 198/25 dt 14 8 02 The revised variation order does not contain any duplicate payment There is clear cut deleting of tack coat/PCC in RD 32 19 to 32 34 hence there is no wastage & financial loss to Government

With respect to A G observations in respect of M-4 (Assandh Jind road) it is submitted that no duplicate payment has been made on this project This rectification has been attributed to the Contractual agency and the same has been carried out by the agency at his cost and no extra payment has been made till now This claim has been refused and amount of the claim of the agency in the bill has been deducted

The work of maintenance of Guhana Jind Barwala road and Jind Assandh road were allotted to M/s Maytas Infra Ltd Hyderabad There is no defect in above cited reaches and no extra payment has been made to the Agency No officer/official is responsible for any defect and extra payment No survey has been conducted by the Department in this regard The word duplicate means that no extra payment has been made to the Agency

(iii) It is intimated that the plea taken by the Audit and calling the amount as avoidable expenditure is not based on facts and the requirement /position of the site Any action whose occurrence is not known nor can be ascertained at the time of framing the estimate can not be considered as avoidable Moreover the amount of Rs 21 64 lacs paid to the second agency B is recoverable from the agency A as the work was got done from the agency B at the risk and cost of the agency A The amount of Rs 21 64 lacs is also included as one of the departmental claims raised against agency A before the Arbitration Tribunal which is still pending before the Arbitrator for its award When the balance work was allotted to the agency B the MORT&H had made it clear that the estimate shall not be revised Accordingly the expenditure for Rs 21 64 lacs has been so incurred on this item has been met out from the savings of the sanctioned estimate and no area work for which agency A has been paid has not been paid to the Agency B The expenditure of Rs 38 95 lacs (Rs 17 31 lacs + 21 64 lacs) incurred by the department is fully justified legitimate and beyond any doubt Beside the expenditure has been fully reimbursed by MORT&H (funding agency) by examining all facts and circumstances of the case Hence no officer/official can be held responsible for any laxity on their part in performing their duties under the circumstances prevailing at the time of execution of work as all due actions were taken by the departmental officers in best public interest

As regard to the estimate for 80 KMs for Rs 27 30 Crores this estimate was framed during the year 1980 81 whereas the estimate of 25 KMs for Rs 27 32 crores was sanctioned during the year 1997 Both the estimates were framed on the basis of prevailing rates at that time Hence there is no ambiguity in framing any of the above estimate As regard to the payment against the estimate of Rs 27 32 crores an expenditure upto June 2003 was made for Rs 26 06 27 324/ and the work was completed on 9 12 2000

(iv) It is intimated that the work of construction of four lanes ROB including approaches on Delhi Agra Railway line in place of existing level crossing No 557/A at Faridabad New Town Railway Station near Bata Chowk in Faridabad was allotted to M/State Government TCL Infrastructure Finance Limited The entrepreneur was to pay a total amount of Rs 400 lacs including supervision and all other charges and ancillary works etc needed within Railway boundary @ Rs 30 00 lacs every six months and last installment of Rs 10 00 lacs The entrepreneur deposited first installment of Rs 30 00 lacs vide letter dt 20 1 99 & subsequently 3 installments of Rs 30 00 lacs were paid Thus total amount of Rs 120 00 lacs was paid and there remains balance of Rs 280 00 lacs which was not deposited by the entrepreneur till this date the entrepreneur has gone in the arbitration On the other hand the department has taken this amount in the counter claims submitted before the Arbitration Tribunal The hearings are in process

- (i) The work has been executed during the incumbency of Shri K K Gupta Project Director (Controlling Officer) and Shri I S Goel S E
- (ii) No responsibility was fixed so far as no undue benefit was given to the entrepreneur
- (iii) The work was executed on B O T basis no payment for the work has been made by the department and no payment is due to be paid to the entrepreneur by the department
- (iv) Despite of issue of letter to the entrepreneur for depositing the balance amount of Rs 2 80 crores the entrepreneur did not paid any installment after payment of 1 2 crores i e four installments of 30 lacs each) Now the matter is under arbitration with the Arbitral Tribunal constituted by the Engineer in Chief Haryana PWD B&R Branch Chandigarh on the direction of Hon ble Punjab & Haryana High Court Chandigarh

(v) It is intimated that expenditure was incurred out of budget grant allotted and there is no diversion of funds The total length of road is as under —

1	Hansi Barwala road	31 32 kms
2	Barwala Jind road	19 61 kms
3	Sirsa Ellenabad road SH-23	66 15 kms

It is also informed that the special repair work on these roads were necessitated as per site condition of the road to keep the road traffic worthy after technical sanction of the estimate by competent authority as per norms Periodic maintenance of roads

was taken under policy of State Government for highway upgradation which included widening as well as strengthening based on increased traffic intensity and work was allotted on the recommendation of project report prepared by consultant. Regarding fixing of responsibility it is intimated that the road was damaged due to floods and due to increase of population and need of high quality roads the widening and upgradation was got done as per State Government policy and hence none of the officer is responsible. The list of reaches for which work were executed prematurely are enclosed herewith at Annexure E for information of P.A.C.

(vi) It is intimated that the information in respect of Irregular time extension for delay in completion of works is being collected from field offices by E.E. (projects)

(vii) It is intimated that the work of widening of 4 lanes including strengthening of existing the carriageway from Km 50 to 74.80 of NH I was allotted to Nagia Construction Pvt. Ltd by the Executive Engineer, Prov. Divn. No. II Panipat in April 1992 for completion by 1995 extended upto 31st May 1997. The time was extended by the Ministry of Surface Transport vide its letter No. NH/12016/54/91/HR/94 N/Delhi dt. 11.6.1998. The work was completed by the Contractual Agency within time and the completion certificate has been issued to the Agency.

It is pertinent to mention here that the variation of price has been paid to the Contractor only upto 31.5.97 instead of 28th Jan. 1999 (mentioned in CAG Para) as per provision of Clause 17 (4) (b) of Contract agreement. As per provision of said clause the variation of prices payable only upto contract period or such extended period to the Agency. Thus payment has rightly been made to the Contractor.

(viii) It is intimated that the advice was sought from CRRRI, New Delhi to clarify the use of hydrophilic aggregate with suitable dose of antistripping agent results in excess consumption of bitumen or not vide SDE (NH) memo No. 98 dated 30.1.2002. Dr. Sunil Bose, Head of Flexible Pavement Division, CRRRI, New Delhi has given the following remarks on the office memo as under:

It has generally been observed that there is no change in binder content in case hydrophilic aggregate are used. However, use of antistripping powder or lime is recommended in such situation.

The aggregate were procured by the contractor from the approved quarry satisfying the MOST specification and the work was executed after treating the bitumen with antistripping agents in suitable doses. Therefore the contention of the audit that use of hydrophilic aggregate (stripping variety) has resulted in extra consumption of bitumen is not correct.

It is intimated that MOST specification specifies minimum bitumen content 4% for DBM as per Table 500.10 and 4.5% for BC Table No. 500.24 and there is no prescribed upper limit. The binder content shall be fixed as to achieve the requirement of mix set out in Table 500.10 in case of DBM and Table 500.24 in case of BC.

As explained above the work was strictly carried out according to MOST specification. No Officer/Official is responsible for adopting required bitumen contents as this is the requirement of MOST specification.

It is therefore requested that the sub para may be dropped

(ix) It is intimated that the road work of PWD B&R department is being carried out as per Haryana PWD specification. The M O S T specification are meant for N H Works

The estimates of road under HUDCO Gr No I II III & IV of this Divn have been technically sanctioned vide E I C Hr PWD B&R Hr Chandigarh letter No 1136 dt 7 04 2000 1142 dt 7 4 2000 1832 dt 26 8 2k 1650 dt 26 5 2000 respectively amounting to Rs 126 95 lacs Rs 142 24 lacs Rs 122 57 lacs & Rs 123 84 Lacs for providing tack coat of bulk Bitumen @ 5Kg/Per Sqm thus the work got done accordingly to the provision of Technically sanctioned estimate

The provision of Ministry of Road Transport and Highway is as under —

Section 503 4 30 Application of tack coat The application of tack coat II shall be at the rate specified in the contract and shall be applied uniformly if rate of application of the contract then it shall be at the rate specified in table 500 2

(RATE OF APPLICATION OF TACK COAT)

Type of Surface	Qty of liquid Bituminous material In Kg per Sqm Area
(i) Normal bituminous surfaces	0 20 to 0 25
(ii) Dry & hungry bituminous surfaces	0 25 to 0 30
(iii) Granular surfaces treated with primer	0 25 to 0 30
(iv) Non bituminous surfaces	
(a) Granular base(not primed)	0 35 to 0 40
(b) Cement concrete pavement	0 30 to 0 35

In this agreement it is provided that 50 Kg per 100 Sqm Bitumen will be used on existing black top surface. Thus there is no extra expenditure was incurred and PAC is requested to drop the para

(x) S E Hisar has intimated that work of widening of road could not be completed in time due to non receipt of LOC and paucity of funds and the same was executed during 1998 2000 under HHUP for proper riding and traffic requirements. The expenditure is within the allotted budget grant. However the revised rough cost estimate/detailed estimate is under process for sanction with Government wherein the detailed reasons of time over run/extension/cost over run have been explained

It is also intimated that the sub para of E E PD Jind has been settled by A G (Audit) Haryana vide his memo No WAD II/2002-03/415 16 dt 8 11 02

(xi) This sub para relates to S E Jind S E has intimated that amount of Rs 30 00 lacs have been withheld from the bill of Contractual Agency i.e M/S Cimco Birla Ltd Further the work has now been allotted on less rates than the rates of lower agency Thus there is no loss to Government The Para has since been settled by A G (Audit) vide its memo No WAD II/2002 03 dt 8 11 02

(xii) This Sub Para relates to E E PD I Sonapat It is intimated that the over all responsibility to collect the toll from the toll barrier lies with the Haryana State Roads and Bridges Development Corporation Ltd & according to that the contract for to collect of Toll was given to M/S Wazir Singh and Co by Managing Director Haryana State Roads and Bridges Development Corporation Chandigarh for two years of Rs 14 58 Crores vide memo No 356 57/HSRDC dated 9 5 2003 with effect from 20 2 2003 This contract was not succeeded thus PWD staff was deputed to collect the toll from this toll point upto 12 12 2003 There after again the contact was given to M/S Prince Toll Associate 54 Urban Estate-II Hissar with toll collection value of Rs 3 99 20 000/ from 13 12 2003 to 12 12 2005 and from 13 12 2005 to 20 5 2006 The PWD staff was deputed to collect the toll at this point and during this period PWD Department after collection of the toll a sum of Rs 1 18 33 426/ were deposited with the Managing Director Haryana State Roads & Bridges Development Corporation and from 20 5 2006 to Date the toll tax is being collect by the Corporation through contract basis Now this road alongwith toll point stands transferred to Executive Engineer Provincial Division No II Sonapat

As the revenue from the toll is being realized so this point of PAC may be dropped

(xiii) Executive Engineer Bhiwani has intimated that the work of construction of 9 No staff quarters in Government College Loharu has already been completed in all respect on 26 10 02 and quarters have since been handed over to the Client Department Hence there is no unfruitful expenditure The revised estimate was proposed due to increase scope of works on the consent of Education Department as some additions alterations were made as per demand of the client department and there is no financial implication in this case It is also informed to the committee that purpose for which these quarters constructed has been achieved

The Committee desired that the brief details of each case alongwith the action taken by the Department in this regard may be intimated to the Committee within a period of three months

PUBLIC WORKS DEPARTMENT (PUBLIC HEALTH BRANCH)

[9] 5 1 6 Tools and plant returns

To guard against shortages pilferages misappropriations and frauds an yearly Tools and Plant (T&P) return is required to be prepared by each sub-division and consolidated in the division. These returns were not prepared for periods ranging from 2 to 21 years in seven out of 12 test checked divisions. The divisions did not try to obtain these returns from the Sub-Divisional Officers and no action was taken against the defaulting officers. Absence of T&P returns would mean shortages/pilferages which cannot be detected by audit.

The EE PH Division II Panipat stated (November 2001) that the T&P returns of the PH Division I Sonipat (defunct) which was merged with that division in April 2000 were not available since 1990. As such the returns could not be prepared.

Test checked of T&P returns so prepared in nine divisions revealed that pump sets motors fitted on various water works and other items issued from the stores during 1996-2002 valuing Rs 1.90 crores were not taken on T&P registers maintained by sub-divisions which resulted in non-accountal of T&P articles to this extent. This could mean payment without supply also.

When these cases were pointed out in audit (January 2002) the EE PH Division Hansi accounted for the T&P articles valuing Rs 0.35 crores. For the remaining divisions no reply was received as on April 2002.

The department in their written reply stated as under —

Instructions have been issued to all the Executive Engineers in the field vide this office memo No. 1017-75 PH/AC 3 dated 13/7/06 to prepare and get audited T&P return including fixed T&P from the Accountant General Haryana during the annual inspection of their Divisions. Specific instructions have also been made to concerned Divisions vide this office memo No. 991-1000 PH/AC I dated 11/7/06 to prepare T&P returns and get the same verified from Audit. Para may kindly be dropped.

In reply to query of Sub Committee of P.A.C. it was further stated as under —

The Divisional Account Officers of concerned Divisions are responsible for the same. However Chief Accounts Officer or Head Office has been directed to look into the matter and give his report within 3 months regarding all store paras. Disciplinary action required to be taken after receipt of report under intimation to audit/PAC.

The Committee recommends that the department may take action after receipt of the report of the Chief Accounts Officer within a period of three months under intimation to the A.G. and the Committee.

[10] 5 1 8 Other points of interest**(iv) Splitting up of purchases**

The EE and Superintending Engineers (SE) are empowered to purchase upto Rs 10 000 and Rs 50 000 respectively any one item on any one occasion. Rules prohibit the split up of purchases. In eight out of 12 test checked divisions, purchases of material such as specials, sluice valves, pipe fittings, electrical fittings, pump sets, motors, etc. were made in 222 cases valuing Rs 20.54 lakhs as per details given below.

Sr No	Name of Division	No of purchases orders/payment vouchers	Amount paid (In rupees)
1	PH Division Dabwali	96	9 06 717
2	PH Division No II Bhiwani	36	3 44 732
3	PH Division Charkhi Dadri	14	2 27 868
4	PH Division Hansi	24	1 96 782
5	PH Division Panchkula at Chandigarh	20	1 80 385
6	PH Division Narnaul	10	74 897
7	PH Division Naraingarh	11	74 817
8	PH Division No III Hisar	11	48 077
Total		222	20,54,275

The department in their written reply stated as under —

Since the department is dealing with the essential services of maintaining water supply and sewerage system, so the requirement of any particular item except those of routine consumption can not be predicted in advance. Most of the items are arranged in reserve stock through DS&D. But at the time of emergency and non availability of the items in the reserve stock, these essential items are purchased from the local market on competitive rates for upkeep of water supply and sewerage system. These purchases have been made at different occasions and are within the competency of Executive Engineers and Superintending Engineers, so there is no splitting up to power and all purchases made are in order. Para may kindly be dropped.

The Committee desired that the purchases made at Bhiwani and Dabwali may be got checked to know whether these purchases were made as per rules or not and whether there were some irregularities or not and a report in this regard may be sent to the Committee within a period of two months.

[11] (v) Utilization of material without detailed record entries in measurement books

Measurement Book (MB) is an important basic record for all accounts of quantities whether of work done by daily labour or by the contractor or of material received which have to

be counted or measured. The entries in MBs are made in such a way as to enable check of vouchers for payment invariably with reference to recorded entries in MB for each month.

In ten test checked division material such as pipes, cement, fittings, etc. valuing Rs 8.71 crores was issued to various maintenance works but no reference entries were made in the MBs. In some case, old material such as pipe fittings, etc. which was required to be taken back, were not entered. In the absence of reference/record entries in the MBs, bonafide issue/return of material could not be established. The EE PH Division Panchkula at Chandigarh agreed (January 2002) to make entries of major items in future.

The department in their written reply stated as under —

Presently, the material issued to various maintenance works is accounted for the MAS of the concerned work and further issued on works for consumption through indents. Detail regarding consumption are given on the indent itself and signature of the official consuming the material are taken on the indent. However, as pointed out by Accountant General, instructions have been issued to all the Executive Engineers vide this office memo No. 1017/75 PH/AC I dated 13/7/06 to ensure that reference entry for consumption of all the major items issued on maintenance works are recorded in the Measurement Book (MB) to establish the bonafide issue along with taking of old usable dismantled material on Books. So para may kindly be dropped.

The Committee observed that this is a serious matter and the department should go to the depth of the matter. The Committee desired that the department should submit the detailed report to the Committee within a period of two months.

[12] (vi) Shortage of material

In PH Division Hansi, shortage of material valuing Rs 22.96 lakhs was noticed by audit during cross linking of records. The details are as under:

Sr No	Nature of shortage	Amount (Rupees in lakhs)	Period	Description
1	2	3	4	5
1	Physical verification	4.80	December 1999	GI pipe CID
	(i) Material found short = 0.20		May 2001 and	joints
	(ii) Material found surplus but not accounted for = 0.16		July 2002	CID/FSV etc
	(iii) Shortage pointed by committee = 4.44			23 items of fittings etc
2	Non carry over of balances in Cards	5.85	May 2001	AC Pipe 8730 metres
3	Errors in totalling in Bin Cards	1.36	January 2000	GI and AC pipe

1	2	3	4	5
4	Non accountal of material received through GR sheets	4 34	October 2000 to March 2001	AC pipe and PVC Bend
5	Short handing/taking over	6 61	August 2001 to December 2001	GI/AC pipe SV 10 inches
Total		22 96		

The EE confirmed (July 2002) the shortage of Rs 8 01 lakhs and placed the amount in Miscellaneous Works Advances of Junior Engineer (JE) in July 2002 but JE had expired in April 2002 In respect of shortage of remaining items confirmation was awaited (July 2002)

The matter was referred to the Government in June 2002 reply had not been received (August 2002)

The department in their written reply stated as under —

Regarding shortate of material a committee was formed which has submitted its report The actual loss has been worked out as 12 68 lacs The point-wise detail is as under —

Sr No	Nature of shortage	Amounts per para (Rs In Lacs)	Present position of shortage (Rs In Lacs)	Remarks
1	2	3	4	5
1	Physical verification (i) material found short 0 20 (ii) material found surplus but not accounted for—0 16 (iii) Shortage pointed out by committee 4 44	4 80	(i) 0 20 (ii) Nil (iii) 4 44 Total=4 64	Detail as per annexure A
2	Non carry over of balances in Bin Card	5 85	5 85	
3	Error in otaling in in Bin Cards	1 36	1 36	
4	Non accountal of material received through G.R sheet	4 34	0 82	Out of material of Rs 4 34 lacs material amounting to Rs 3 52 lacs has been adjusted Only one item amounting to Rs 0 82 lacs has not been incorporateted

1	2	3	4	5
				The material except one item has been accounted for in the respective Bin Card as per detail given in Annexure B
5	Short handing/taken over	6 61 (4 65 + 1 36)	0 01	Rs 6 61 lacs is wrongly typed in place of 6 01 lacs. This amount is sum of Rs 4 65 lacs and Rs 1 36 lacs has already been pointed out at Sr No (3) in this table. Against Rs 4 65 lacs the shortage is only of Rs 0 01 lacs the position has been explained in Annexure C
Total		22 96	12 68	

The concerned J E has expire However to watch the Govt interest the amount due to the deceased amounting to Rs 1 09 lacs has been with held

The Committee desired that the department should reconcile the figures of shortages with the A G. office and submit the report to the Committee within a period of three months

RURAL DEVELOPMENT DEPARTMENT

[13] 6.1 Rural Housing Schemes

Indira Awas Yojana

6.1.5 Funds released and expenditure

(i) Details of release of funds by GOI and the State Government and expenditure were as under —

Rupees in lakhs							
Year	Opening balance	Funds released by GOI	Funds released by State Government	Miscellaneous receipts	Total funds available	Expenditure incurred	Balance
1997-98	181.75	809.25	192.21	5.60	1188.81	972.34	216.47
1998-99	216.47	1949.39	468.38	10.85	2645.09	2206.01	439.08
1999-2000	439.08	1163.61	267.63	20.84	1891.16	1706.10	185.06
2000-2001	185.06	1518.85	628.36	28.73	2361.00	2244.41	116.59
2001-2002	116.59	1183.36	405.11	29.67	1734.73	1677.19	57.54
Total		6624.46	1961.69	95.69		8806.05	

It was observed in test checked districts that against an unspent balance of Rs 1.71 crores only Rs 0.96 lakhs was shown at the close of financial year 2001-2002 in the progress reports submitted to GOI. As intimated (March 2002) by ADC Sonapat, figures of expenditure were inflated since grants were released at the close of the financial year and to avoid cut in the second/subsequent release of grant by GOI.

(ii) The table below indicates the deduction imposed by GOI in release of grant, delay in release of funds by the State Government, delay in release of funds to the implementing agencies and release of fund at the end of the year.

Deduction imposed by GOI	Delay in release of funds by State Government	Delay in release of funds to implementing agencies	Release funds at the close of the year	
1	2	3	4	5
Period	1997-2002	1. As provided under the scheme the State Government was required to release its share to DRDAs within one month of receipt of GOI share but there was a delay of more	In 5 test checked districts the funds received from GOI and State Government were in turn released by DRDAs to the implementing agencies after a delay of one to	Out of total funds released during 1997-2002 funds to the extent of Rs 27.62 crores and Rs 10.05 crores respectively were released by GOI and
Reasons	(Rs in crores)			
(i) On account of excess carry over of balances	1.37			
(ii) Late submission	1.23			

1	2	3	4	5
of proposals to GOI				
Total	2 62	The delay in release of State share was attributed by Joint Secretary-cum Director Rural Development to shortage of funds with the State Government.	eight months which resulted in non implementation of scheme and as a consequence of which the GOI deducted the grant to the extent of under utilisation from subsequent releases.	the State Government during the last quarter of respective financial year. Of this Rs 9 72 crores and Rs 7 86 crores were released in the month of March by GOI and the State Government respectively.
Impact of delay	1 693 families were deprived of the benefit	2 In one specific case while the GOI released its share of Rs 68 61 lakh on 31st March 1997 the State Government released this amount to DRDAs only on 27th March 1998 i.e. after a delay of about one year.	The late release of funds was attributed by DRDAs to time taken in completion of process of selection of beneficiaries.	
Departmental reply	The Joint Secretary-cum Director Rural Development Haryana intimated (April 2002) that the matter for restoration of cut imposed by GOI was taken up without success and non could be held responsible.			

The department in their written reply stated as under —

- (i) The figures shown in the table do not tally completely with the figures shown in the progress reports and also in the audited reports/utilization certificates. However the figures based on audited reports/utilization certificates from the year 1997-98 to 2001-02 are given as under —

(Rs in lacs)

Year	O B	Funds released/ credited during the year		Misc Receipt	Total funds available	Expdr	Balance
		Centre	State				
1	2	3	4	5	6	7	8
1997-98	181 75	804 69	192 93	5 56	1184 93	97234	21259
1998-99	212 59	1949 39	468 40	10 83	2641 21	2206 01	435 20
1999-2000	435 20	1163 613	267 62	20 838	1887 271	1706 099	181 17
2000-2001	142 322	1518 846	628 365	30 998	2320 713	2244 424	76 307
2001-2002	76 307	1191 957	405 177	29 573	1702 954	1677 205	25 749

* The Govt of India had actually released Rs 758 55 lacs to all the DRDAs under IAY during the year 1997-98. Out of the above Central share Rs 7 28 lacs had not been received by the DRDAs of Panipat & Rohtak and Rs 41 72 lacs had been credited by the DRDAs in the next year 1998-99. Besides above Rs 92 42 lacs (Rs 23 81 lacs & Rs 68 61 lacs) of previous year 1996-97 had

been credited by the DRDAs during 1997-98. In this way, total funds released/credited by the DRDAs come to Rs. 801.97 lacs instead of Rs. 809.25 lacs. Besides this, Rs. 3.40 lacs were transferred by DRDA, Hisar to DRDA Bhiwani for Siwani block during 1996-97, but the DRDA Bhiwani had credited the same in the audit report/UC of 1997-98. Out of Rs. 3.40 lacs, Rs. 2.72 lacs were required to be included in the Central share and Rs. 0.68 lacs in the State share on 80:20 basis. Thus, the total of Central share became Rs. 804.69 lacs and State share became Rs. 192.83 lacs during 1997-98.

** The closing balance as on 31.3.2000 was Rs. 181.17 lacs but the opening balance as on 1.4.2000 was Rs. 142.522 lacs. The change in the figures of opening and closing balance had occurred due to revision of utilization certificates by some of the DRDAs for tallying with the figures of audit reports consequent upon the observations made by the Govt. of India. The detailed reply in this regard had already been sent to A.G. (Audit) Haryana vide letter No. JRY II-2002/4629 dated 9.10.2002. So far as the reply of inflated figures are concerned, the replies of concerned DRDAs are as under —

DRDA Sonapat stated that funds were received late i.e. in the month of February and March. As per excepted funds, works were got started and actual payments were made in the next year's month after the completion of necessary formalities. Actual progress of work was counted in the progress reports. So there was no inflated figures of expenditure reported to GOI.

With regard to avoid cut in 2nd/subsequent release of grant, ADC Sonapat has informed that the said reply was given by Sh. Ved Parkash Arya, Economist of Planning Department. He had furnished the reply without verifying the facts from records and that too at his own level. The reply given by the said officer was never approved by the DC or ADC on relevant file. The said officer is solely responsible for this lapse. Therefore, the matter has been taken up with the Planning Department to take disciplinary action against this officer at headquarter level.

DRDA Yamunanagar stated that the expenditure shown in the utilization certificates was actually incurred during these years by the implementing agencies, but the booking of expenditure could not be made in these years. The balances are reduced only after actual booking of the expenditure in the books.

DRDA Kurukshetra stated that the utilisation of funds is based on reports submitted by the BDPOs. However, as per DRDA Kurukshetra Balance Sheets as on 31.3.2002, there is no unspent balance with DRDA under this scheme, as the closing balance on 31.3.2002 was Rs. 5857.55 P, which is less than the cost for IAY house i.e. Rs. 20,000/.

DRDA Hisar stated that the grant was received at the far end of the financial year and simultaneously grant was released to the implementing agencies. The planning to execute work was made in the current financial year and work had actually been done during the same current year. Only labour payment was made afterwards. Therefore, UCs were sent to Govt. on the basis of UCs receipt from line deptt.

DRDA Faridabad stated that expenditure in progressive report and U C s have been given on the basis of record maintained at agency level and no inflated figures have been shown in progress reports submitted to GOI/State Govt

1 The detailed reasons of excess carry over of funds in respect of concerned districts were already conveyed to audit vide this Department letters dated 11 4 2002 & 21 5 2002 (copies enclosed) However the main reason of excess carry over against the allowed percentage during the period under review was the receipt of additional funds of Central assistance at the fag end of the year This fact can be ascertained from the table given below —

(Rs in lacs)

Year	Additional funds of Central assistance	Date
1996 97	68 61	31 3 97
1997 98	58 31	19 3 98
1998 99	220 06	24 3 99
1999 2000	393 21	30 3 2000 & 31 3 2000
2001 02	216 401	30 3 2002

The detailed reasons of deductions imposed on account of late submission of proposals in respect of concerned districts were already conveyed to audit vide this Department letters dated 11 4 2002 & 21 5 2002 referred to above However it is mentioned here that every year this department instructs the DRDAs to submit the proposals complete in all respects after spending 60% of the total available funds under all the schemes well in advance The documents received from DRDAs are examined at the State Headquarters and in case discrepancies are found therein the same are got rectified from the DRDAs concerned and after having taken concerted efforts the proposals are forwarded to the Govt of India within the time schedule fixed by the GOI i e by the end of December Even if the observation on the audit report of any DRDA is made by the GOI the necessary clarification has to be sought from the concerned DRDA and conveyed to the GOI But the GOI treat the date of receipt of final clarification as the date of receipt of final proposals Thus deductions were made by the GOI on account of late submission of proposals mostly in these cases wherein the date of receipt of final clarification was taken as the date of receipt of final proposals whereas the proposals for claiming 2nd instalment of funds of Central assistance were submitted to GOI well within the time schedule

The facts given in the foregoing para would reveal that the proposals for claiming 2nd Instalment of funds of Central assistance for the years 1997 98 to 2001 2002 had been submitted well within the prescribed time frame but the Govt of India treated the date of receipt of final clarification as the date of receipt of proposals

(ii) Delay in release of funds by State Govt

The detailed reasons for delay in release of funds by State Govt were already conveyed to audit vide this Deptt letter dated 23-4-2002 (copy enclosed) However it is clarified that the action for the release of corresponding State share is initiated by this Department only after the receipt of the sanction letter from the GOI. The sanction letter is generally received after 25-30 days from the date of issue. The funds of corresponding State share are released to the DRDAs concerned only after having obtained the concurrence of the State Finance Department. In case of enhancement of plan ceiling the matter is also taken up with the State Planning Department. This process takes time over and above the time limit fixed under the guidelines issued by the Govt of India. The table given below depicts the time taken at various levels in release of funds to DRDAs under IAY from 1997-98 to 2001-02.

Year	Funds Released	Sanction date of GOI	Date when sanction was received by State Govt	Date when case was sent to FD	Date of FD's concurrence	Date of release of funds by the Deptt
1	2	3	4	5	6	7
1997-98	237.29	7.5.97	29.5.97	3.6.97	13.10.97	14.10.97 Case was received back with the remark that the Financial Year was over
				5.5.98	11.6.98	7.7.98 10.9.98
1998-99	263.65	6.5.98	5.6.98	17.6.98 20.8.98	3.7.98 3.9.98	Case received back with the remark that the same may be sent after having the budget passed
1998-99	1033.91	12.10.98	22.10.98	10.11.98	9.3.99	17.3.99
1998-99	517.63	21.1.99	8.2.99	4.03.99	31.03.99	31.3.99
1998-99	220.06	24.3.99	28.4.99	29.4.99	7.6.99	21.6.99
99-2000	585.50	20.5.99	9.6.99	15.7.99 2.11.99	23.12.99 28.12.99	27.12.99 2.2.2000
99-2000	182.79	12.1.2000 14.9.46	7.2.2000 28.2.2000 27.1.2000	23.3.2000	28.3.2000	30.3.2000
99-2001	98.38	3.3.2000	27&28.3.2000	30.3.2000		

1	2	3	4	5	6	7
				10 4 2000	12 5 2000	12 5 2000
2000 01	585 50	4 5 2000	13 6 2000	20 6 2000 13 11 2000	10 7 2000 7 12 2000	10 7 2000 18 12 2000
2000 02	20 46 372 13	1 1 2001 2 1 2001	1 2 2001 17 1 2001	7 2 2001	28 2 2001	2 3 2001
2001 02	573 07	17 5 2001	2 7 2001	4 7 2001	1 8 2001	16 8 2001

The delay in release of funds was not only due to shortage of funds in the State budget but it was also due to other reasons as explained in foregoing para

The detailed reasons for delay in release of State share to DRDAs have already been conveyed to audit vide this Deptt. letter dated 23 4 2002 referred to above. It is reiterated that since the Central share of Rs. 68 61 lacs was not credited in the accounts of DRDAs, the matter was taken up with the GOI which informed that the Central assistance was remitted to the RBI for crediting the same to the A G Haryana. The matter was confirmed from A G Haryana and a request was made to the GOI to revalidate the sanction dated 31 3 97. However, the GOI informed that there was no need of such revalidation since the money released by them had already been taken into account by A G Haryana. Thus, the State Finance Department was approached for the release of Central share of Rs. 68 61 lacs which gave their concurrence and the funds could be released on 27 3 1998.

(ii) Delay in release of funds to the implementing agencies

So far delay in release of funds to the implementing agencies are concerned, the replies of concerned quarters are as under —

DRDA Kurukshetra stated the funds are being released to the implementing agencies in time.

DRDA Hisar stated that the funds were released to implementing agencies under IAY during 1997-2002 as soon as process of selection of beneficiaries among below poverty line was completed. The efforts are made to complete the process immediately but it takes more time. The funds are received through T T but generally received very late. Till the receipt of sanction funds can not be released to line departments thus it takes more times. The detail of T T /sanction received from Govt. of India is given as under —

Year	Amount	Date of TT Received	Date of sanction received
97 98	31 96	27-6 97	26-5-97

DRDA Faridabad stated that all the efforts were taken in release of funds immediately on receipt of funds from the Centre and State Govt. only in few cases there was some delay in release of funds and it is due to fact that there is a stream line procedure for selection of beneficiaries. Application received from the beneficiaries for IAY Houses are forwarded to the BDPOs for verification.

and on receipt of their report these applications are again got verified from the APOs and the departmental Officers. Thus it takes some time in completion of above process and only due to above facts there was some delay in release of funds under IAY Scheme. However in future full care will be given in this respect so that there should not be unnecessary delay in release of funds.

DRDA Sonapat stated that funds were released late to the implementing agencies. The reasons that the families were proposed by the Gram Sabha were got verified again to select the needy beneficiaries. Due to this process funds were released some late. Now funds are being released in time.

DRDA Yamunanagar stated that the funds to the tune of Rs 46.7 lacs were received on 31-3-99 during 1998-99. On the receipt of funds the most deserving beneficiaries were identified as per priority fixed in consultation with the P.R.s to grant benefits of this scheme to the widows, handicapped and poorest amongst the poor from the BPL families. The delay for the release of funds was unavoidable and it was in public interest to provide benefit to the most deserving beneficiaries.

The General Election to the Haryana Assembly were held in the month of February 2000 and it was not permissible to release the funds during Election process. The ADC is also Returning Officer for Yamunanagar Assembly constituency because of which most of the Staff was busy for the preparation for the conduct of Election which involves lot of arrangements and have priority over all other works. After these Elections there were Elections to all the three tier P.R.s such as Panchayats, Panchayat Samities and Zila Parishad. The funds were released after the completion of the Election process. This delay was also unavoidable.

The funds were released after getting the beneficiaries re-verified as the position changes after the BPL Survey and even till the receipt of the funds next instalment as some beneficiaries construct their houses in between through their own resources and become ineligible for benefit under this scheme.

(iii) Release of funds at the close of the year

No doubt out of total funds released under IAY during 1997-2002 the Govt. of India released Rs 27.63 crores during the last quarter and of this Rs 9.72 crores in the month of March. The State share could be released by the State Govt. after the release of the Central assistance. Since the Central funds were released by the Govt. of India during the last quarter and in the month of March there was no option to release the State share by the State Govt. during the last quarter and in the month of March.

In view of the above explained circumstances the delay unavoidable to grant benefit to the most deserving families. Therefore it is requested that the sub para may please be dropped.

The Committee observed that the amount of Rs 25,000/- being given for construction of a dwelling unit is insufficient in view of the escalation of cost of construction material. Therefore, the Committee recommends that this amount may be increased to Rs 50,000/- atleast and the matter may be taken up with Govt. of India.

by the department. A compliance report in this regard may be submitted to the Committee within a period of three months.

The Committee further observed that the amount is released by the Govt. of India at the end of the financial year resulting into non execution of the work. The Committee desired that a chart indicating the amount and the dates when the amount was received in the last five years may be sent to the Committee. The Committee recommends that the Govt. of India may be requested to release the funds well in time.

[14] 6.1.7 Non preparation of annual action plans

Annual Action Plans had to be prepared and got approved from the Deputy Commissioner (Chairman of DRDA) before the commencement of the financial year. These plans were based on reports received from Gram Sabhas, Gram Panchayats and from people's representatives etc. In four test checked districts, no annual action plan was prepared and funds were released on the basis of ad hoc proposals received from them.

The Joint Secretary cum Director, Rural Development Department, Haryana denied (April 2002) the need for preparation of annual action plans at the State/District level. This contention was at variance with the guidelines.

The department in their written reply stated as under —

In the reply submitted to audit by the Deptt., it was inadvertently mentioned that the Annual Action Plans under IAY were not required to be prepared at the district level and also not got approved from the Governing Bodies of DRDAs. In fact, as per para 25(b)(vii) of IAY guidelines, Annual Action Plans are required to be prepared and got approved from the Governing Bodies of DRDAs. The perusal of the documents regarding release of 2nd Instalment under IAY received from the DRDAs confirms that the Annual Action Plans were prepared at the district level and also got approved from the Governing Bodies of the DRDAs.

The information regarding dates or meeting in which the action plans were prepared and approved was asked for and it was stated that this information has been called for from the DRDAs which is still awaited and the same will be sent shortly.

The Committee desired that the information as stated in the reply may be sent to the Committee within a period of three months.

[15] 6.1.11 Allotment of house to ineligible families

(i) 936 houses constructed at a cost of Rs. 1.79 crores were allotted to ineligible persons not included in BPL lists as detailed below:

		Faridabad	Hisar	Kurukshetra	Sonapat	Total
1	2	3	4	5	6	7
1998-99	No. of Families	305	7	40	80	432
	Expenditure (Rs. in lacs)	57.24	1.41	7.41	15.64	81.70
1999-2000	No. of Families	124	9	24	31	188
	Expenditure (Rs. in lacs)	24.80	1.79	3.84	5.49	35.92

1	2	3	4	5	6	7
2000 2001	No of Families Expenditure (Rs in lacs)	82 16 18	34 6 69	12 2 12	35 6 95	163 31 94
2001 2002	No of Families Expenditure (Rs in lacs)	96 18 47	49 9 78	1 0 20	7 1 39	1 5 3 29 84
Total	No of Families	607	99	77	153	936
	Expenditure (Rs in lacs)	116 69	19 67	13 57	29 47	179 40

Allotment in respect of 1 431 beneficiaries involving expenditure of Rs 2 86 crores could not be verified in audit due to absence of records and cross references in the sanction order

(ii) On receipt of complaints about allotment of houses to 19 ineligible persons in Fardabad and Yamunanagar district ADCs directed (between August 2000 and May 2001) the BDPOs to recover Rs 3 20 lacs from these ineligible persons and fix responsibility Rs 1 33 lacs had been recovered from 12 persons but no action was taken against the defaulting officials as of May 2002

The department in their written reply stated as under —

DRDA Kurukshetra stated that no beneficiary other than in BPL has been given assistance under IAY which may be got verified from the record However in some cases where BPL number is not quoted in sanction letter are now being marked

DRDA Hisar stated that all the 99 beneficiaries fall in the category of below poverty line Only BPL No can not quoted in the sanction letter due to overload of work at the fag end of year But it is noted for future compliance

DRDA Sonapat stated that reference of BPL Nos was given on every proposal which were approved by the competent authority and BPL Nos were also given on where it was necessary It was shown to the audit party

DRDA Faridabad stated that there is a streamline procedure for release of grant under IAY scheme All the applications for allotment of IAY Houses received in this office are forwarded to the BD&POs of the concerned block for the verification of facts When the BDPOs are fully satisfied that applicants are homeless and fall under the category of BPL they recommended their cases to this office Only then grants under IAY were released to the BD&POs for const of houses to the poor and most eligible persons BPL No is now being given against the name of each beneficiary Hence sub para may please be dropped

DRDA Yamunanagar stated that out of a sum of Rs 1 80 lacs a sum of Rs 1 33 lacs has already been recovered and efforts to recover the balance amount are being made So far as the officials at fault are concerned these have

been warned after considering the aspects of the error made by them vide this office memo No 2481 84 dated 26 11 2001

DRDA Faridabad stated that in response to this office letter No 76 dated 12-4-2001 the BDPO Hodal has informed that applications for allotment of IAY houses were received during 1996-97 when 7 No of Beneficiaries as mentioned in our letter have no houses to live. The houses constructed under IAY scheme by the above 7 beneficiaries were in order and were constructed as per guidelines. As such neither any recovery nor any action is required against any official. Hence sub para may please be dropped.

The Committee desired that a copy of the guidelines for identifying the BPL families may be sent to the Committee. The Committee recommends that action against the delinquent officers may be taken and a compliance report in this regard may be sent to the Committee within a period of three months.

[16] 6.1.12 Other irregularities

(a) Non refund of unspent balances

28 implementing agencies did not release full assistance in the form of construction material to 4362 beneficiaries and funds to the tune of Rs 1.07 crores there against were kept by them. Neither the amount had been returned to DRDAs nor the poor families were helped fully.

The department in their written reply stated as under —

DRDA Sonapat stated that unspent balances which were lying with the implementing agencies has been got refunded.

DRDA Hisar stated that all the BDPOs have been instructed to utilise the balance amount of Rs 7.28 lacs immediately and provide the benefit to IAY beneficiaries. Now they have reported that unutilized fund to the tune of 7.28 lacs have now been spent.

DRDA Yamunanagar stated that the expenditure is being incurred out of unspent balances for the construction of IAY houses and for the completion of the houses under progress.

DRDA Kurukshetra stated most of the unspent balances have been returned by the implementing agencies.

DRDA Faridabad stated that information regarding unspent balance under IAY Scheme is being obtained from the concerned implementing agencies and will be utilized in the above scheme. Hence sub para may please be dropped.

During the course of oral examination, the departmental representatives informed the Committee that out of 19 cases, 12 cases had been disposed off and the recoveries in these cases have been made and in the remaining cases, the required action will be taken. The Committee desired that after recovering the amount and taking the action, a compliance report in this regard may be sent to the Committee within a period of six months.

[17] 6 1 16 Evaluation

The concurrent evaluation study of IAY pertaining to the period 1985 86 to 1998 99 was got conducted during 1998 99 by GOI from Socio Economic Research Training and Development Association (SERTDA) with a view to evaluate the implementation impact and reach. The study report brought out that 40 *percent* of the construction work was done by contractors/voluntary organizations/Government agencies. The practice was against the guidelines as self labour in construction was the objective of the scheme. 93 and 72 *percent* of the houses constructed were not provided dual efficient *chullahs* and sanitary latrines respectively.

43 *percent* of the constructed houses had less than 20 metres plinth area whereas the plinth area of dwelling unit should not be less than 20 metres.

The formal title of 64 *percent* of constructed houses was in the name of male members.

The maximum technical assistance was to be made available at village level but only 11 *percent* cost effective technology was made available at village level.

Though the report was submitted by SERTDA in February 2000, the State Government circulated the main points to DRDAs only in September 2001 for taking remedial corrective measures, but no action was taken for these lapses. No further follow up action plan was prepared by Government.

The department in their written reply stated as under —

The report might have been submitted by SERTDA to the Govt. of India in Feb 2000, but it was received by the State Govt. from the Govt. of India in the month of Feb 2001. However, the main points could be circulated by the State Govt. in the month of Sept 2001 for taking remedial corrective measures. Though no specific follow up action plan was prepared by the State Govt., yet this Deptt. has been pursuing this matter with Addl. Deputy Commissioners cum Chief Executive Officers, Distt. Rural Development Agencies in Haryana State vigorously from time to time by issuing reminders on 29-10-2001, 31-12-2001, 12-2-2002 & 27-3-2002.

The Committee observed that the amount of Rs 100/- for smokeless chullah and Rs 600/- for latrines being provided at present, is too meagre and at least Rs 700/- be provided for smokeless chullah and separate sufficient amount may be provided for latrine.

[18] 6 7 Swarnjayanti Gram Swarozgar Yojana

6 7 3 Low coverage of Swarozgaris

For the coverage of 30 *percent* of BPL families in the next five years under the scheme, the State Government neither prepared the perspective plans for the five years nor prescribed annual targets towards achieving this objective. It was also noticed in audit that against the

target of coverage of 1.15 lacs families (18 percent) out of 6.39 lacs BPL families in the State only 0.57 lacs families (9 percent) could be covered up to March 2002

The department in their written reply stated as under —

As per audit observation the target for coverage of 1.15 lacs BPL families out of 6.39 lacs in the State only 0.57 lacs families were covered upto March 2002 due to shortage of funds. For achieving the target of 1.15 lacs BPL families in three years i.e. 1999-2000 to 2001-2002. The amount/funds @ Rs. 7500/ per swarozgan should have been released to the extent of Rs. 86.25 crores wherein the total amount released was Rs. 48.65 crores by Govt. of India including State share for above and other purposes which were not sufficient for coverage of BPL families as pointed out by audit. Due to short release of funds the coverage could not be achieved. The details of funds received from 1999-2000 to 2001-2002 are as under —

Sr No	Year	Centre Share Share (in lacs)	State Share Share (in lacs)	Total funds received (in lacs)
1	1999-2000	1317.98	436.86	1754.84
2	2000-2001	1537.73	651.50	2189.23
3	2001-2002	614.03	306.79	920.82
Total		3469.74	1395.15	4864.89
			Say	4865.00

The Committee desired that the responsibility of the concerned officers/officials who have not prepared the prospective plans well in time may be fixed and the Committee may be informed of the action taken against them within a period of three months

[19] 6.7.4 Formation of Self Help Groups (SHGs)

iii Formation of SHGs not successful

The scheme emphasized on group approach in the form of organising the rural poor into Self Help Groups (SHGs). SHGs in existence for 6 months with potential of being a viable group could enter second stage and become entitled for receiving Revolving Fund (RF). The SHG was further subjected in another grading test after six months from the date of receipt of RF based on its effective functioning and capacity of taking up an economic activity for higher level of investments. It was observed that out of 4,044 SHGs formed during 1999-2002, only 583 groups took up the second stage activities. Further Rs. 10 lacs was released to 100 groups which did not fulfill the conditions like staying in existence for six months as viable groups.

The department in their written reply stated as under —

No doubt the scheme emphasises on group approach in the form of organising the rural poor into Self Help Group. The SHGs in existence for 6 months with potential

of being a viable group could enter 2nd stage and become entitled fund (RF) The SHG was further subjected to another grading test after six months from the date of receipt of Revolving Fund based on its effective funding and capacity of taking up an economic activity for higher level of investments The position of formation of SHG s grading thereof and taking up economic activities is given as under —

Year	No of SHG s Formed	1st grading	2nd grading taken	Economic activities
1999 2000	712	229	92	260
2000 2001	1417	642	181	171
2001 2002	1915	836	387	236
Total	4044	1707	660	667

In fact 667 SHG s had taken up economic activities after crossing 2nd stage whereas audit has reported that 583 SHG s took up 2nd stage activities which is not tenable It is also mentioned that SGSY based on SHG approach was entirely a new beginning which requires adequate time for becoming a viable group and taking up economic activities Now the scheme has picked up as per its objective

Further audit has pointed out that Rs 10 00 lacs was released to 100 groups which do not fulfil the condition like staying in existence for six months as viable groups the reply of concerned DRDAs are as under —

DRDA Bhiwani has informed that the observation of AG, Haryana for releasing of Rs 3 50 lacs during 1999-2000 under the head Revolving Fund to 35 Self Help Groups is not based on facts This is an expenditure and not revolving fund The details of which is given below —

1	Ganga Kalyana Yojana Subsidy	Rs 0 96 lacs
2	SITRA Subsidy	Rs 2 04 lacs
3	TRYSEM - Training	Rs 0 40 lacs
4	DWCRA RF	Rs 0 10 lacs

DRDA Kaithal has informed that no amount was released to SHGs without fulfilling the conditions like staying in existence for six months as viable groups as pointed out by the Audit during the year 2000 2001 in 51 cases All the 51 groups are being functioning according to the guidelines

DRDA Panipat has informed that no amount was released to SHGs during the year 2001-02 as pointed out by the Audit in 5 cases

DRDA Sirsa has stated that revolving fund @ Rs 10 000/ each were released to 9 beneficiaries during the year 2001-2002 as pointed by audit In this regard it is submitted that revolving funds were released to 4 groups which were viable and fulfilled all the conditions So far as remaining 5 cases are concerned it is stated by the agency that efforts are underway to carry out 2nd grading of 4 groups and revolving fund of 1 group has already been recovered

The Committee desired that DRDA, Bhiwani should check the figures of release of funds with the A.G. Office and inform the Committee

[20] 677 Diversion of funds

(i) The funds released under the scheme were not to be utilized in activities like purchase of furniture, vehicles, construction of buildings, salaries, etc. However, it was seen that Rs. 1.32 crores was spent by four DRDAs viz. Bhiwani, Panipat, Sirsa and Kaithal during 1999-2002 on activities like constructions of Veterinary Aid Centre and staff quarters, purchase of vehicles, milk cooling tanks and equipments. DRDA Bhiwani justified construction of Veterinary Aid Centre and staff quarters on the ground that the cattle purchased by *swarozgaris* needed veterinary aid. Reply was not tenable as the construction of Veterinary Aid Centres and staff quarters was the responsibility of the line department/State Government.

The department in their written reply stated as under —

The ADC-cum-CEO, DRDA Bhiwani has informed that a sum of Rs. 60.23 lacs was utilized to construct the veterinary aid centres and staff quarter through XEN, P.R. Bhiwani. The Veterinary Aid centre were constructed on the demand of the people for betterment and providing medical aid to the cattle from the nearest centre purchased by the *swarozgaris*. The staff quarters were constructed to retain the doctors/staff and the centre for seeking 24 hours help/medical aids. It is correct that the primary responsibility was of the line department but to increase the products and to provide to help to the *swarozgaris* is the primary duty of the agency. Hence, there is no irregular expenditure or diversion of funds.

The ADC cum CEO, DRDA Kaithal has informed that most of our *swarozgaris* are in milk producing SHGs. In order to provide these *swarozgaris* infrastructure support, marketing convenience and forward linkages to bigger and untapped market, milk unions were given funds for milk cans, tanks, milk testers and other related equipments. This is perfectly a valid charge on infrastructure funds according to SGSY guidelines. Providing forward linkages and marketing support is also in accordance with the SGSY guidelines. This expenditure has really benefited to *swarozgaris*.

The ADC-cum-CEO, DRDA Sirsa has informed that the funds under infrastructure have been spent in accordance of the guidelines received from the Govt. from time to time.

The ADC-cum-CEO, DRDA Panipat has intimated that the vehicle TATA-407 will not be used as transport vehicle rather it would be used to provide veterinary aid to the BPL families. Further the Governing Body of DRDA has also approved the same in the interest of BPL families living in remote villages and where the veterinary facilities are scarce.

The Committee desired that the responsibility of the concerned officers for incurring Rs. 1.32 crores on the activities like construction of Veterinary Aid Center and staff quarters, purchase of vehicles, milk cooling tanks and equipments may be fixed as no approval of Government of India was obtained before incurring this

expenditure and action taken against them be informed to the Committee within a period of three months

[21] 679 Physical verification of assets not conducted

To ensure follow up of projects by DRDAs the scheme envisaged annual physical verification of assets on campaign basis at the end of every year and the results of such verifications were required to be incorporated in the annual plan for the next year. It was observed that in test checked districts though 18 891 families including SHGs were provided subsidy/term credit for purchase of income generating assets during 1999 2002 no verification of assets was done as of march 2002

These points were referred to the Government in June 2002 reply had not been received (August 2002)

The department in their written reply stated as under —

The ADC cum CEO DRDA Sirsa has intimated that physical verification of assets have been got done

The ADC cum-CEO DRDA Panipat has informed that post loaning physical verification of assets is regularly being done by the field staff of DRDA BDPOs and the bankers. The SHGs are regularly visited by APOs and Gram Sevikas. No swarozgaris who have misutilized the loan has so far been reported. The result on record will be produced to the next audit

The ADC cum-CEO DRDA Gurgaon has informed that the physical verification of assets created by the beneficiaries was conducted by the BD&POs and APOs every year. The monitoring results are as under —

Year	No of BPL families	No of Assets monitored
1999 2000	1270	1120
2000-2001	1652	1377
2001 2002	1405	1228
2002 2003	1047	523
Total	5354	4248

ADC cum CEO DRDA Kaithal has informed that physical verification of the assets is being regularly conducted by APOs of DRDA and its results are reviewed in block and district level meetings. Remedial measures are being taken and its results are also being incorporated in the annual plans of next year

ADC cum CEO DRDA Bhiwani has informed that in present practice the loan is disbursed after the verification of the assets by the banks and when the asset created by the beneficiaries are intact while disbursing the loan then the question of verification of asset after one year is not so important because the beneficiaries are repaying their loan in time. It is also added that in this district the Swarozgaris adopted the

traditional Swarozgar and not irrigating infrastructure also. However, the verification is being conducted regularly. In view of the justification given above, the para may kindly be dropped.

The Committee would like to know the status of physical verification in the DRDAs of all the districts except Bhiwani, Gurgaon, Hisar, Kaithal, Panchkula, Sirsa and Yamunanagar about which the same has already been sent.

[22] 6.8 Reclamation work not taken up for 2 ½ years

Rs 4.01 crores sanctioned by GOI for reclamation of water logged and saline land in Bhiwani and Jhajjar districts remained unutilized for 2 ½ years for want of State share.

Government of India (GOI) accorded (November 1998) approval for reclamation of water logged and saline area of Bhiwani and Jhajjar districts at a cost of Rs 9.16 crores (Rs 4.58 crores for each district) for the development of 1,600 hectares (800 hectares in each district) during the period 1998-2001 to be implemented by Agriculture Department. The financial pattern of assistance for these projects was 60:30:10 between GOI, State and beneficiary farmers. Since the proposal of the projects was submitted to GOI by the DRDAs and their implementation was to be monitored by them, GOI released (November 1998) first instalment of Rs 3.01 crores to DRDAs Bhiwani and Jhajjar (Bhiwani Rs 2.04 crores and Jhajjar Rs 0.97 crores). Further, GOI directed that these funds be placed at the disposal of Agriculture Department within 15 days from the date of receipt of amount for implementation of the projects with stipulation that further instalment would be released on receipt of satisfactory progress reports along with funds utilization certificate. Since the funds released in first instalment for Jhajjar district were inadequate, GOI released (March 2000) the second instalment of Rs 1 crore to DRDA Jhajjar. However, no share was made available for these projects by the State Government and the beneficiaries.

Test-check of records (January and August 2001) of DRDAs Bhiwani and Jhajjar revealed that DRDAs kept the amounts in their saving bank accounts instead of transferring the funds to Agriculture Department. However, after prolonged correspondence, discussions and meetings between DRDAs, Rural Development Department and Agriculture Department regarding release of matching State share by Agriculture Department, it resolved (25 January 2000) that Agriculture Department would implement the scheme and funds received from GOI would be transferred to Director of Agriculture and Agriculture Department would also arrange matching share of the State out of its own budget.

Thereafter, Rs 4.01 crores was sent to Agriculture Department by DRDAs Bhiwani and Jhajjar (Rs 2.04 crores in April 2000 and Rs 1.97 crores in June 2000) through cheques which could be credited to Agriculture Department in April 2001 due to delay in opening the personal Ledger Account. Interest of Rs 37.97 lacs earned on the GOI grant was also transferred (May 2002). However, the project had not been started as of June 2002.

Thus, no work of reclamation had been executed during November 1998 to June 2002 and Rs 4.01 crores remained unutilized for a period of 2½ years for want of State share of contribution.

The matter was referred to the Government in January 2002 no reply had been received (August 2002)

The department in their written reply stated as under —

It is admitted that Govt of India accorded approval in November 1998 for the implementation of said project in the districts of Jhajar and Bhiwani. Firstly the mode of implementation was decided in a meeting held on 8.9.1999 in the office room of Financial Commissioner and Secretary to Govt Haryana Rural Development Department wherein it was decided to implement this project through Agriculture Department because of availability of technical expertise and other infrastructure required for the project. Afterwards the funds amounting to Rs 401.04 lacs alongwith interest accrued (Rs 37.97 lacs) were transferred by DRDAs to Agriculture department during 2000-01. Since there was no Personal Ledger Account (PLA) of the Agriculture department at that time it took some time for receiving sanction from State Govt and Accountant General Haryana as well for opening of PLA in State Bank of India (Treasury Branch) Chandigarh.

It is further submitted that simultaneously global tenders were invited for the purchase of two Trenchers and allied equipments. Since the machinery was not available in India hence some specified formalities prescribed by Govt of India for the import of machinery consumed a considerable time. At last the machinery was received during January 2003 after a long process and formalities. However other steps such as purchase of material etc required for the implementation of the project went simultaneously as per schedule and without loss of time. In view of these constraints faced by the department the Govt of India has extended its implementation period up to March 2004.

The State Govt has released Rs 30.0 lacs during 2001-2002 and Rs 90.00 lacs during 2002-2003 as its State share contribution towards the project. The work in the project areas has been started and it is targeted to complete the work in Bhiwani and Jhajar districts by March 2004.

Hence it was not for want of state share that the grant of Rs 4.01 crores sanctioned by GOI remained unutilized but it is otherwise and due to facts stated above that the project work could be started late.

Therefore in view of the position explained above the para in question may kindly be dropped.

After hearing the representatives of the Rural Development and Agriculture Departments, the Committee desired to visit the site with a view to watch implementation of the project

[23] 6.9 Idle wages

DRDA Fatehabad paid Rs 25.41 lacs as idle wages as the services of surplus staff could not be utilized elsewhere.

Integrated Rural Development Programme (IRDP) provided for new staffing pattern for District Rural Development Agencies (DRDAs) since 1978-79 with provision that a part of

IRDP allocations could also be utilized for meeting expenditure on administrative infrastructure at DRDA level. Government of India launched (August 1979) Training of Rural Youth for Self Employment (TRYSEM) a Centrally sponsored scheme as a component of IRDP. As per the scheme DRDA was to set up Training-cum Production Centres (TPCs) and obtain services of skilled persons on contract basis and charge the same to TRYSEM. From April 1999 a new programme known as Swarnjayanti Gram Swarozgar Yojana (SGSY) had been launched and IRDP and TRYSEM had been merged with it. For administrative expenditure of DRDA including SGSY a new scheme namely DRDA Administration was launched in April 1999.

Test-check of records of DRDA Fatehabad revealed (February 2002) that DRDA had employed the staff for TPC on regular basis instead of non contract basis. With the merger of TRYSEM in SGSY scheme staff (3 instructors, 2 helpers, 1 chowkidar and 1 driver) employed on regular basis for TPC was rendered surplus since April 1999. Under new staffing pattern there was no post of instructors and helpers and posts of chowkidar and driver in DRDA had already been filled in. As a result payment of Rs. 17.89 lacs on account of idle wages had to be made for the period April 1999 to January 2002.

In addition there were three drivers against the sanctioned post of one driver. Two drivers were also rendered idle since April 1998 as there was only one vehicle. Rs. 7.52 lacs had been paid as pay and allowances to these two drivers during April 1998 to January 2002.

DRDA Fatehabad while admitting the facts stated (April 2002) that there was no technical work in DRDA for TRYSEM technical staff. Hence their services could not be utilized for technical purposes and the staff remained idle since April 1999.

The matter was referred to the Government in April 2002. Reply had not been received (August 2002).

The department in their written reply stated as under —

It is submitted that TRYSEM scheme was merged into SGSY scheme w.e.f. 1-4-99 by the Govt. of India. Accordingly the training is required to be given to Swarnjayanti keeping in view the demand/requirement of income generating activities adopted by them. As such the staff has been engaged under the scheme of SGSY for training purpose & work has been assigned to them according to their qualification & capabilities against vacant post & also due to non availability of staff in the DRDA. DRDA Fatehabad was created during 1997. Since creation of this district full complement of staff has never been provided and many posts are still lying vacant. Since the DRDA is taking whole time work from them hence this staff is not sitting idle & no idle wages are being paid.

Due to creation of this district 3 Nos. drivers were transferred to this DRDA by the DRDA Hisar with three vehicles i.e. two jeeps & one car. In the new manual of DRDA Administration w.e.f. 1-4-1999 only one post is provided but the posts of the new DRDA manual have yet not been approved by the Govt./SLCC Haryana. It is further added that during audit period these three drivers were engaged on different three

vehicles of the DRDA as such no driver was sitting idle & in this connection no idlewages was paid Hence para may kindly be dropped

The Committee desired the department to make a study in whole of the State to know about the surplus staff in DRDAs and to find out whether the excess staff has been retained in connivance with some officers or there is some other reason Whether this staff is being utilized for some other work or not, and wherever there is need to curtail the staff, it has been done or not What is the financial burden and from which source it is being met A report in this regard may be submitted to the Committee within a period of three months

ANIMAL HUSBANDRY DEPARTMENT
(Haryana Live Stock Development Board)

[24] 6.3 Non recovery of lease money

Due to non recovery of lease money Live Stock Development Board was deprived of revenue of Rs 7.47 crores

The Government of Haryana accorded (July 1968) approval for leasing 14,850 acres of land out of Government Live Stock Farm land to the Government of India (GOI) for setting up the Central Sheep Breeding Farm and Central Seed Farm at Hisar. The State Government initially leased out (August 1968) 6,477 acres of land for Central Sheep Breeding Farm and 6,704 acres of land for Central Seed Farm (reduced to 6,692 acres in August 1996) at the rate of Re 1 per acre per annum for a period of 20 years. The lease was extended upto 31 July 1991 at the revised rate (August 1988) of Rs 500 per acre per annum which was further enhanced to Rs 1,000 per acre per annum thereafter (August 1991).

Scrutiny of records of Live Stock Development Board revealed (October 2001) that Central Sheep Breeding Farm had paid enhanced lease money while the Central Seed Farm had paid only Rs 0.80 lacs as against Rs 7.48 crores due for the period August 1988 to March 2001. As a result Rs 7.47 crores remained unrecovered. No action had been taken to recover the lease money.

The matter was referred to the Government in January 2002 and March 2002 reply had not been received (August 2002).

The department in their written reply stated as under —

In this connection it is submitted that land of Livestock Farm Hisar was leased out to Central Sheep Breeding Farm Hisar and to Central Seed Farm Hisar initially @ Rs 1/- per acre per annum from 8/68 to 31-7-88 for 20 years. Thereafter Government increased the rate @ Rs 500/- from 1-8-88 to 31-7-91 and then @ Rs 1000/- per acre per annum from 1-8-91 to onward. But Central Government agencies not ready to pay the leased amount at enhanced rates.

Matter is pending with Government for decision.

The Committee desired that strenuous efforts may be made to recover the amount from the Central Sheep Breeding Farm, Hisar and a copy of the Lease Agreement may be supplied to the Committee

AGRICULTURE DEPARTMENT
(Haryana State Agricultural Marketing Board)

[25] 6 4 Development of Mandis by the Haryana State Agricultural Marketing Board

6 4 4 Other points of interest

Undue benefit to allottees

The Market Committee Pehowa sold 20 booth plots by open auction during June 1993

The allottees filed civil suit (28 November 1996) in the court of Additional Civil Judge Pehowa against recovery of instalments and interest as possession letters were not issued in their favour. The court decided (November 1996) and awarded relief of interest and penal interest for the period from the date of auction (15 June 1993) to the date of issue of allotment letter (9 February 1994). On appeal of the allottees in the Court of District and Session Judge against the judgment/decreed for charging interest on balance cost of plots till the date of handing over possession, the Chief Administrator of the Board, without waiting for the verdict of the court, directed (30 August 2000) the Market Committee to accept the balance cost of the plots in three instalments starting from October 2000 along with interest at 12.5 percent from the date of construction of shops. As per terms of allotment, no separate letter of possession was required to be issued and interest was to be charged from the date of issue of allotment letter, which was also considered by the Court while deciding the case in November 1999. Injudicious and hasty decision of the Chief Administrator in favour of the allottees resulted in loss of interest of Rs 45.75 lacs.

The department in their written reply stated as under —

Since the matter was pending in the court for a long time it was in the interest of Board as well as the farmers to make the mandi operational on a compromising formula. The decision taken by C.A. Board on 30.8.2000 was in the interest of the Board/Market Committee allowing the allottees to construct booth/shops on the plots.

During the course of oral examination, the departmental representatives sought time to ascertain the exact position in the matter after going through the record and intimate the Committee of the same. The Committee acceded to their request and desired that the Committee may be informed of the exact latest position within a period of three months.

TOWN AND COUNTRY PLANNING DEPARTMENT
(Haryana Urban Development Authority)

[26] 6 10 Non recovery of external development charges

HUDA had been deprived of external development charges of Rs 40 55 crores due to inaction of staff in getting the agreements executed in time from allottees

As per instructions issued by Haryana Urban Development Authority (HUDA) in August 1996 external development charges (EDCs) in respect of released land and for change of land use were to be fixed every year by adding 10 percent compound interest for fresh cases while old cases were to be updated by adding simple interest at the rate of 10 percent. The rate valid upto 31 December 1995 was the basis on which the additions were to be calculated

In respect of new cases 10 percent EDCs were to be recovered with the application 40 percent before execution of agreement and remaining 50 percent either in lumpsum within 120 days from the date of approval communication without interest or in 4 equal annual instalments with 15 percent simple interest. In respect of old cases 25 percent EDCs were to be recovered within 30 days from the date of communication and balance 75 percent either lumpsum within 120 days without interest or in 4 equal annual instalments with 15 percent simple interest per annum. Penal interest at the rate of 18 percent per annum was chargeable on delay payments in respect of all such cases. The Chief Administrator (CA) HUDA also decided (August 1998) that no such charges for water supply recoverable from the industrial units who made their own arrangements for water supply

Test-check of records of 17 Estate Officers (EOs) of HUDA conducted between November 1999 and July 2002 revealed that in the case of 13 EOs where the released land was in possession of 770 persons/firms recoverable dues had accumulated to Rs 40 55 crores as of March 2002. Records also indicated that HUDA had taken no action to get the agreements executed with the parties concerned due to which action to recover the due amounts as arrear of land revenue could not be taken

Thus due to inaction on the part of officers/officials of HUDA in getting the agreements executed in time HUDA had been deprived of revenue of Rs 40 55 crores as of March 2002

The matter was referred to Government in January 2002 reply had not been received (August 2002)

The department in their written reply stated as under —

In this regard it is submitted that Audit has worked out External Development charges in respect of release lands on the basis of instructions issued in the year 1996. However the authority has given relief in the development charges in the cases of released lands and rates of EDC has been revised during 7/2002 and payment of recovery schedule has also been changed the copy of which is enclosed at Annexure A. Therefore the recoverable amount comes to Rs 3368 04 lacs. However so far Rs 1528 46 lacs has been recovered from the owners of released land as

appended at Annexure B It is also intimated here that a number of cases court has stayed recovery of EDC

So far as execution of agreement with the land owners is concerned it is stated that instructions have been issued to all concerned E O /Administrators to recover the development charges from the land owner failing which action be taken to acquire the land under Land Acquisition Act

The Committee desired that a detailed report about the period from which the amount was due to be taken, the number of persons against whom action has not been taken alongwith the reasons and the action taken against the responsible officers in this regard may be sent to the Committee within a period of three months

FOOD AND SUPPLIES DEPARTMENT

[27] 7.3 Avoidable loss due to delay in disposal of rice

DFSC Kaithal/millers did not deliver the rice to FCI in accordance with the terms of agreement causing loss of Rs 28.48 lacs to Government

The Director Food and Supplies Department Haryana Chandigarh procures paddy from mandis for Central pool and provides the same to the millers who deliver the rice to the Food Corporation of India (FCI) after milling. The milling agreements entered with millers inter alia provide that the millers would take delivery of paddy either against bank guarantee or delivery of rice in advance to FCI.

During Khariff 1999 District Food and Supplies Controller (DFSC) Kaithal procured 16,242 metric tonnes (MT) of paddy for Central pool. As per agreements with the millers, the rice was to be delivered to the FCI by the end of February 2000. Delivery period was extended upto April 2000 by Government of India. DFSC Kaithal without obtaining bank guarantee or delivery of rice in advance, allowed the millers to take 15,429 MT of paddy for milling upto 30 April 2000. For 15,429 MT of paddy supplied to millers, 10,305 MT rice was required to be delivered against which only 9,469 MT of rice was delivered to FCI Kaithal. To make good the shortage, DFSC Kaithal held auctions and could sell (January 2002) only 728 MT of rice actually found available with millers. Thus, there was a shortage of 108 MT of rice resulting in a loss of Rs 9.97 lacs as detailed below.

Variety of rice	Quantity of rice found short (In MT)	Rate (Rupees per quintal)	Amount (Rupees)
Rice Grade A	1.31	954.73	12,507
Sela Grade A	46.35	949.00	4,39,861
Sela Common	60.52	899.46	5,44,353
Total	108.18		9,96,721

Besides auction of 728 MT of rice by the Food and Supplies Department resulted in loss of Rs 18.51 lacs as detailed below.

Variety of rice	Quantity sold in auction (In MT)	Rate at which supplied to FCI (Rs per quintal)	Rate at which sold during auction (Rs per quintal)	Difference in rates (Rs per quintal)	Total loss (In rupees)
Rice Grade A	101.62	954.73	701	253.73	2,57,840
Sela Grade A	427.90	949.00	715	234.00	10,01,286
Sela Common	198.42	899.46	601	298.46	5,92,204
	727.94 say 728 MT				18,51,330 Rs 18.51 lacs

Thus the failure of DFSC Kaithal to deliver the rice to FCI in accordance with the terms of agreement resulted in a loss of Rs 28.48 lacs to Government for which neither any action had been taken against the millers nor against the officers at fault as of May 2002.

The matter was referred to the Government (May 2002) reply had not been received (August 2002)

The department in their written reply stated as under —

It is submitted that initially deliveries of Custom Milled Rice were to be accepted by FCI before the commencement of Kharif Marketing Season 2000 i.e. 15-9-2000. However Govt. of India unilaterally issued instructions on 22-03-2000 not to accept the deliveries of CMR after 30-04-2000. In this situation a qty. of 836 MTs CMR could not be given to FCI. Govt. of India had also not extended the delivery period after 30-04-2000. Since it was not possible to store rice for a longer period, therefore, it was disposed of by public auction with the approval of Finance Department on 16-01-2002 by a Committee constituted by the Government for this purpose. Out of 836 MTs rice, 728 MTs was sold to the bidders and a shortage of 108 MTs rice valuing Rs. 09.97 lacs was found on its final disposal. The DFSC Kaithal had registered a criminal case vide FIR No. 104 dated 19-03-2002 for shortage against the rice miller. However, after investigating the matter, the Superintendent of Police, Kaithal submitted cancellation report to the Hon'ble Court.

Disciplinary proceedings have been instituted against the erring officials/officers of the department who issued paddy in contravention of the agreement executed with the millers and failed to maintain the health of rice stocks and also to obtain bank guarantee from the rice miller.

To improve in system, the following changes have been made in the custom milling of paddy policy to make it more transparent and effective during KMS 2005 —

A representative of Haryana Rice millers association and from the Headquarters of the State Procurement Agencies has been made members of the District milling Committee headed by Deputy Commissioner of the respective district.

A new Committee has been constituted for each PR Centre to issue contract numbers in which a representative of Rice Millers Association has also been associated besides representatives of other State Procurement Agencies. The contract numbers were earlier issued by the concerned Inspector of Food and Supplies Department.

Allocation of Paddy for Custom Milling has been restricted to only those Mills which are not defaulters. The defaulting Rice Millers and their premises are proposed to be blacklisted in case they don't clear their default.

Since the paddy stock will remain in joint custody of the Rice Miller and of Agency joint physical verification of stocks shall be conducted on a fortnightly basis.

Guarantee in the shape of cheques of Rs 10 lacs and two sureties of reputed arhtias has been made obligatory before releasing paddy for custom milling

During the course of oral examination, the Committee was informed that departmental action against S/Shri Jaipal Singh, DFSC, S D Chauhan, DFSO, Lekhraj Dhingra, AFSO and Shri R B Dahiya, IFS are under progress and the enquiry report is expected soon Arbitration proceedings against the millers are also under finalization

The Committee recommends that action in both the cases may be finalized and taken as early as possible and a compliance report may be submitted to the Committee thereafter

GENERAL

[28] 3 10 Misappropriations, defalcations, etc

Cases of misappropriations defalcations etc of Government money reported to Audit upto the end of March 2002 on which final action was pending at the end of June 2002 were as under

	Number	Amount (Rupees in lacs)
Cases reported up to the end of March 2001 and outstanding as on 30 June 2001	272	130 55
Cases reported between April 2001 and March 2002	18	24 40
Total	290	154 95
Cases disposed of between July 2001 and June 2002	12	5 35
Cases outstanding as on 30 June 2002	278	149 60

The department wise/year wise break up of the cases in which final action was pending at the end of June 2002 is given in Appendix XII

Of these pending cases 140 cases (Rs 43 62 lacs) and 39 cases (Rs 20 83 lacs) were under departmental and police investigation respectively 30 cases (Rs 55 96 lacs) were pending in the courts 54 cases (Rs 19 93 lacs) were sent to Government for write off and in 15 cases (Rs 9 26 lacs) full recovery had not been made as of June 2002

The department-wise details in respect of cases relating to theft misappropriation/loss of Government material and fire/accident at the end of June 2002 were as under —

Name of the Department	Theft cases		Misappropriation/loss to Government material		Fire/Accident	
	Number of cases	Amount (Rs in lacs)	Number of cases	Amount (Rs in lacs)	Number of cases	Amount (Rs in lacs)
1	2	3	4	5	6	7
Agriculture	3	0 84	—	—	—	—
Animal Husbandry	4	3 74	4	0 91	1	—
Education	19	11 52	11	7 12	—	—
Fisheries	—	—	1	0 23	1	2 28
Food & Supplies	1	0 02	—	—	4	6 25
Forest	6	5 92	1	0 40	16	11 36
Irrigation	65	8 08	29	10 45	7	—
Labour and Employment	3	0 45	—	—	—	—
Medical and Health	3	1 60	2	4 07	2	11 92

1	2	3	4	5	6	7
Mines and Geology	—	—	—	—	1	1 44
Panchayat	1	1 28	—	—	—	—
Police	—	—	—	—	1	0 72
Public Health (PH)	29	5 09	8	1 20	2	0 66
Public Relations	—	—	—	—	1	0 08
Public Works (PW) (B&R)	10	1 82	12	4 44	—	—
Revenue	—	—	1	9 28	—	—
Social Welfare	—	—	1	0 26	1	—
Technical Education	4	1 60	1	11 38	1	0 29
Transport	8	14 75	8	5 12	5	3 03
Total	156	56 71	79	54 86	43	38 03

The concerned departments need to pursue these cases more vigorously for early recovery of dues from delinquent officials

Department wise/year-wise break up of misappropriations/defaultations
etc cases pending at the end of June 2002

Name of the Department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years to more	Total
1	2	3	4	5	6	7	8
Agriculture	1 (0 03)	2 (0 81)					3 (0 84)
Animal Husbandry	1 (0 52)	2 (3 02)	5 (1 03)	1 (0 08)			9 (4 65)
Education	6 (5 45)	6 (3 16)	9 (5 84)	6 (2 38)	1 (0 87)	2 (0 94)	30 (18 64)
Fisheries			1 (2 28)	1 (0 23)			2 (2 51)
Food & Supplies	2 (1 25)	1 (0 27)	2 (4 75)				5 (6 27)
Forest	11 (14 34)	2 (0 63)	8 (2 16)	2 (0 55)			23 (17 68)
Irrigation	23 (4 05)	10 (0 41)	36 (6 48)	27 (7 46)	5 (0 13)		101 (18 53)
Labour and Employment		1 (0 29)	2 (0 16)				3 (0 45)
Medical and Health	1 (1 51)	2 (0 02)	2 (11 92)	2 (4 14)			7 (17 59)
Mines and Geology			1 (1 44)				1 (1 44)
Panchayat		1 (1 28)					1 (1 28)
Police			1 (0 72)				1 (0 72)

1	2	3	4	5	6	7	8
Public Health (PH)	1 ()	5 (0 24)	10 (1 96)	14 (2 48)	9 (2 27)		39 (6 95)
Public Relations	1 (0 08)						1 (0 08)
Public Works (PW) (B&R)	4 (0 44)	3 (0 54)	2 (0 29)	8 (3 56)	5 (1 43)		22 (6 26)
Revenue	1 (9 28)						1 (9 28)
Social Welfare		-	1 ()	1 (0 26)			2 (0 26)
Technical Education	6 (13 27)						6 (13 27)
Transport	1 (3 17)	5 (13 22)	7 (2 59)	4 (2 19)	3 (1 63)	1 (0 10)	21 (22 90)
Total	59 (53 29)	40 (23 89)	87 (41 62)	66 (23 33)	23 (6 33)	3 (1 04)	278 (149 60)

(Figure in Bracket indicate Rupees in lacs)

After going through the written reply of various departments, the Committee observed that a large numbers of cases of misappropriations and defalcations are still pending for settlement despite its earlier recommendations contained in the 50th, 52nd, 54th 56th, 58th and 60th reports of the Committee. The Committee took it seriously and further recommends that afresh instructions be issued by the Finance Department so that pending cases of misappropriations and defalcations are settled by the concerned departments at the earliest. The progress report be sent to the Committee within a period of three months.

[29] 3 11(a) Follow up on Audit Reports

According to instructions issued (October 1995) by the Finance Department and reiterated in March 1997 and July 2001 the Administrative Departments were to initiate *suo motu* positive and concrete action on all Audit paragraphs and reviews featuring in the Comptroller and Auditor General's Audit Reports (ARs) regardless of whether the cases are taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes duly vetted by audit indicating the corrective/remedial action taken or proposed to be taken by them within three months of the presentation of the ARs to the Legislature.

A review of the position regarding receipt of Action Taken Notes (ATNs) on the paragraphs included in the ARs upto the period ending 31 March 2001 revealed that the ARs for the period 1997-2001 were presented to State Legislature in November 1999, September 2000, March 2001 and March 2002 respectively. Of the 174 paragraphs/reviews of 35 Administrative Departments included in ARs of 1997-2001, 23 Administrative Departments had not submitted the remedial/corrective ATNs on 83 paragraphs/reviews as per details given in the Appendix XIII.

3 11 (b) Response of the departments to Draft Audit Paragraphs

Draft Paragraphs and Reviews are always forwarded to the Secretaries of the concerned Administrative Departments through demi official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments are invariably indicated at the end of the each paragraph included in the Audit Reports. Finance Department also issued directions on 5 January 1982 to all Administrative Departments to send their response to the Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks.

For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2002, no reply had been received in respect of all the 33 audit paragraphs and three reviews as of August 2002.

The Committee is of the view that despite its earlier recommendations contained in the 58th and 60th Reports, most of the Departments are not sending Action Taken Notes on the Audit Reports immediately after three months of their presentation to the State Legislature. Therefore the Committee recommends that all the concerned departments should take immediate action for sending Action Taken Notes on the paras through Finance Departments to the Committee and A G. (Audit), Haryana at the earliest in future.

[30] 6 2 General

(a) Financial assistance to autonomous bodies

During 2001-2002, the Government provided financial assistance of Rs. 668.46 crores to various autonomous bodies and others. Details as per Paragraph 1.6.4 (Page 10).

(b) Delay in furnishing utilization certificates

2,666 utilization certificates are due from these bodies in respect of grants-in-aid of Rs. 1,161.05 crores paid during 1991-92 to 2000-2001. But only 1,405 utilization certificates for Rs. 673.84 crores were furnished to A G. by 30 June 2002 and 1,261 certificates for Rs. 487.21 crores were in arrears. Department-wise and age-wise break-up of outstanding utilization certificates were as under –

Department	Upto 1997-98		1998-99		1999-2000		2000-2001	
	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount
1	2	3	4	5	6	7	8	9
(Rupees in crores)								
Education							6	32.32
Medical	41	5.98	2	0.19			5	0.08
Agriculture	1	0.01					13	64.27
Development and Panchayat	1	0.12	6	0.26	42	4.27	33	9.53

1	2	3	4	5	6	7	8	9
Rural Employment					4	0 13	13	1 54
Economical and Statistical Organisation					1	0 33	28	6 40
Tourism							2	0 42
Social Security and Welfare	44	9 52	43	5 11	37	17 74	60	10 49
Sports					9	0 16	2	0 84
Public Health	47	138 82	17	32 32	5	3 64	165	43 67
Science and Technology	1	0 01			1	0 05	6	0 22
Art and Culture							3	0 04
Non Conventional Sources of Energy	2	0 04					6	0 20
Ecology and Environment	3	0 13	4	0 17	3	0 09	1	0 06
Urban Development	80	4 83	22	6 31	190	11 52	250	20 94
Technical Education							1	1 89
Irrigation			2	1 0	2	1 20	17	41 27
Civil Aviation							1	0 01
Village and Small Scale Industries			3	0 39	14	2 97	14	3 11
Revenue	4	0 64	1	0 51			3	0 95
Total	224	160 10	100	46 26	308	42 10	629	238 75

(c) Delay in submission of accounts

The status of submission of accounts by the autonomous bodies and submission of Audit Reports thereon to the State Legislature as of June 2002 was as under

Sr No	Name of the body	Year for which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reason for non finalisation of Audit Reports
1	2	3	4	5	6	7
1	Haryana Khadi and Village Industries (Board) Manimajra Chandigarh	2001 2002	2000 2001	1999 2000	1996 97	Separate Audit Report (SAR) for the year 2000 01 is under process for issue to Govt
2	Haryana Labour Welfare Board Chandigarh	2001 2002	2000 2001	2000 2001	1999 2000	
3	Haryana Urban Development Authority Panchkula	2000 2001 2001 2002	1999 2000	1999 2000	1989 90	

1	2	3	4	5	6	7
4	Haryana Housing Board Panchkula	2001 2002	2000 2001	2000 2001	1998 99	
5	Haryana State Agricultural Marketing Board Panchkula	2001 2002	2000 2001	1999 2000	Not yet submitted	
6	Haryana Prathmik Shiksha Panyojna Parishad Chandigarh	2000 2001 2001 2002	1999 2000	1999 2000	1995 96	Entrustment of Audit from 2000 2001 and onwards is awaited
7	Mewat Development Agency Nuh (Gurgaon)	2000 2001 2001 2002	1999 2000	1999 2000	Not applicable	
8	Haryana State Legal Service Authority Chandigarh	1996 1997 1997 1998 1998 1999 1999 2000 2000 2001				Accounts are submitted since 1996 97
9	Haryana Urdu Akademi Panchkula	1996 1997 1997 1998 1998 1999 1999 2000 2000 2001				

The audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for a period of 5 years as detailed below

Sr No	Name of body	Period of entrustment
1	Haryana Khadi and Village Industries Board Manimajra Chandigarh	1997 98 to 2001 2002
2	Haryana Labour Welfare Board Chandigarh	1998 99 to 2002 2003
3	Haryana Urban Development Authority Panchkula	1997 98 to 2001 2002
4	Haryana Housing Board Panchkula	1999 2000 to 2003 2004
5	Haryana State Agricultural Marketing Board Panchkula	2000 2001 to 2004 2005
6	Haryana Prathmik Shiksha Panyojna Parishad Chandigarh	1995 1996 to 1999 2000
7	Mewat Development Board Nuh (Gurgaon)	2000 2001 to 2004 2005
8	Haryana State Legal Service Authority Chandigarh	1996 1997 to 2000 2001
9	Haryana Urdu Akademi Panchkula	1996 1997 to 2000-2001

(d) Audit arrangements

The audit of local bodies (*Zila Parishads* *Nagar Palikas* *Town Area/Notified Area Committees*) educational institutions *Panchayati Raj* institutions and others was conducted by the Director Local Audit Haryana Chandigarh Audit of co operative societies is conducted by the Registrar Co operative Societies Haryana Chandigarh

One hundred sixty five bodies/authorities accounts of which were received for 2000-2001 attracted audit by Comptroller and Auditor General of India. Of these 83 bodies/authorities audit of which was due were audited during 2001-2002.

Two hundred and sixteen annual accounts of 97 bodies/authorities for 2001-2002 and earlier years had not been received as of September 2002 by the Accountant General (Audit). The details are given in *Appendix - XVII*. Of these bodies/authorities Municipal Committee Bhiwani and Rohtak did not submit accounts for 8 years. Municipal Committee Karnal Bahadurgarh, Narnaul and Faridabad for 6 years. Municipal Committee Hisar Gurgaon and Jagadhari for 5 years and Municipal Committee Palwal Sonapat Charkhi Dadri Rewari Panipat Barwala and Yamunanagar for 4 years.

(e) Non-furnishing of Accounts of utilization of grants

Out of 336 autonomous bodies to whom various Government departments released grant in aid as detailed below during 2001-2002, 74 did not render the accounts for the utilization of grants to the concerned departments as of July 2002. Social Justice and Empowerment Department had no information in respect of 27 units regarding maintenance of cash book as there was no such check by the department. Animal Husbandry Department had not received utilization certificates for Rs. 72.50 lacs out of Rs. 371 lacs released as grant.

Department	Total number of bodies	Did not render the accounts/ year of accounts	Did not render accounts in prescribed format	Did not utilise 50% of grants given in year	Which did diverted/ misutilised the funds (including grants released by GOI/ amount diverted/ misutilised)	Defaulted repayment of loans/ amount overdue	Which did not maintain cash book/ maintained irregularly	Which did not invest its surplus funds/ retained huge balance in cash chest/ average amount of surplus funds	Any other interesting point noticed from the audit of accounts
1	2	3	4	5	6	7	8	9	10
Medical	11	Nil	Nil	Fully utilized	Nil	Nil	Nil	Nil	Nil
Technical Education	7		Nil	-do-	Nil	Nil	Nil	Nil	Nil
Social Justice and Empowerment	56	Nil	Nil	-do-	Nil	Nil	27	NA	Nil
Housing	1	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Agriculture	1	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sports	68	Nil	Nil	Fully utilized	Nil	Nil	Nil	Nil	Nil
Urban Development	68	68	Nil	NA	NA	NA		NA	Nil
Rural Development	19	Nil	Nil	Fully utilized	NA	Nil		Nil	Nil
Education	99	Nil	Nil	-do-	Nil	Nil		Nil	Nil
Science and Technology	2	Nil	Nil	-do-	Nil	Nil		Nil	Nil
Animal Husbandry	4	4	Nil	NA	NA	NA	NA	NA	Nil
Total	336	74					27		

After going through the statement and written reply received from various departments concerned the Committee observed the utilization certificates/accounts in respect of some autonomous bodies/institutions are still pending. The Committee viewed it as a serious lapse on the part of concerned authorities and reiterates the earlier recommendations made in the 50th 52nd 54th 56th 58th and 60th Reports of the Committee. The Committee recommends that the Finance Department may issue fresh instructions to the concerned authorities to furnish the outstanding utilization certificates and accounts to A G (Audit) without further delay within a period of three months and the latest position in this regard be intimated to the Committee.

[31] 7.1 General

Lack of accountability for use of public funds in departmental commercial undertakings

Activities of quasi commercial nature are performed by the departmental undertakings of certain Government departments. These undertakings are to prepare annual proforma accounts in the prescribed format showing the results of financial operation so that the Government can assess the results of their working. The Heads of Departments in the Government are to ensure that the undertakings which are funded by the budgetary release prepare the accounts on timely basis and submit the same to Accountant General for audit.

As of March 2002, there were 6 departmental commercial undertakings with the Government of Haryana. Rs 941.48 crores had been invested by the State Government in these undertakings at the end of the financial year up to which their accounts were completed. The department wise position of preparation of accounts in respect of these undertakings was as follows:

Department	No. of undertakings under the department	Accounts not finalized (name of undertakings)	Year upto which accounts finalised	Investment as per last accounts (Rupees in crores)
Agriculture	2	(i) Purchase and Distribution of Pesticides ¹	1981-82	0.11
		(ii) Seed Depot Scheme ¹	1985-86	NA
Printing & Stationery	1	Nationalised Text Book Scheme	1998-99	7.28
Transport	1	Haryana Roadways	1998-99	315.21
Animal Husbandry	1	Veterinary Vaccine Institute Hisar	2000-2001	0.01
Food and Supplies	1	Grain Supply Scheme	2000-2001	618.87
			Total	941.48

It would be seen that the two undertakings relating to Agriculture Department had not prepared their accounts for more than 10 years. Similarly, accounts of undertakings relating to departments of Printing and Stationery and Transport were in arrears by 2 years.

The summarised account of Food and Supplies Department for the 2000-2001 revealed that the loss of Rs 71.77 crores incurred during the year was understated by Rs 9.31 crores.

mainly due to (i) non provision of labour charges storage charges milling charges transport charges short provision of interest on capital wrong booking etc (Rs 7 17 crores) and (ii) rejection of claim for auction fee non-delivery of wheat as per linkage plan moisture cut non accountal of gunny bags bonus on wheat purchased by Food Corporation of India etc (Rs 2 14 crores)

The matter was referred to the Government in May 2002 reply had not been received (August 2002)

After going through the written replies, the Committee recommends that expeditious steps be taken to up date the performa accounts and the Committee be informed within a period of three months

EDUCATION DEPARTMENT

[32] Sarv Shiksha Abhiyan etc

The Committee visited the District Kaithal on 16th April 2007 to examine about the activities of the Education Department under the Sarv Shiksha Abhiyan and in that context visited few Primary Schools as well as High Schools and interacted with the local as well as the head office officials of the Department. After visiting the Schools the Committee was disappointed to find that the Government money which is provided for the benefit of the poor children through Sarv Shiksha Abhiyan and other programmes of the Department is definitely not being used satisfactorily. The details regarding the visit of various places is already on record copy of which was also supplied to obtain the queries answered by the Department. The Department has left some questions unanswered raised by the Committee. Except in one or two cases no action seems to have been taken and no information was supplied by the Department. The Department is directed to go through the proceedings again and take action wherever it is desired by the Committee. The following are the observations of the Committee —

The Committee is of the view that the purchase system is faulty not only in Kaithal but in other districts also. This may lead to the misutilization of funds under the Sarv Shiksha Abhiyan. In district of Kaithal in the accounts shown to the Committee most of the items were purchased on 31st March and the prices of various items charged were more than the actual prices prevailing in the market. The Committee observed that the Department has shown carelessness in its working and the money under Sarv Shiksha Abhiyan was not spent with prudence. When the Committee questioned the local teachers it was informed that there was no system of raising a demand for various items which were supplied at random. When a bundle was opened there was no check list in record and in most of the cases the bundles were lying without being put to use. It was revealed that demand for various items which were lying in the schools stores were never asked for or utilized by the schools.

The Committee recommends that henceforth it will be school incharge who will raise the demand for various items required in the schools for the students and the staff and the Department should then make the purchases accordingly

The Committee visited the Government High School at village Deban and found that number of computers were lying with lot of dust on them and on being asked the Headmaster complained that the Computer Teacher was never posted in the School. Besides it tables and other material required to operate the computer were never supplied. The Committee is convinced that the computers were purchased without having the demands and also the trained personnel to operate these computers may be somebody's vested interest playing behind the purchase.

Mid day meal programme was being run in a fairly good manner and the food prepared

was also O K **The Committee recommend that better environment for the storage, the cooking place, utensils and other items may be provided to make it a success story**

The Committee feels that the amount spent under GCS/AIE schemes has also been wasted and it is good that it has now been abandoned. The department should formulate some useful scheme for the School going children to spend Government money and even the Government of India can be given some schemes or their sponsored schemes can be modified to suit the culture of Haryana Schools

On being asked the Departmental officers from Chandigarh informed the Committee that in most of the cases these schemes were from the Government of India. We can usefully utilize this money for the benefit of the poor children by taking Government of India into confidence by modifying their schemes as per the local conditions. The very fact that Nehru Yuva Kendra which is a Semi-Government organization refused to conduct course under these schemes speaks a lot about bad governance on this front

The Committee was told that EDUSAT had been started in 45 Primary Schools in District Kaithal and so must be in other Districts. Although the scheme is in its infancy but whatever the Committee could gather is that lot has to be done to make this scheme useful especially in the rural environment as it does not seem to have picked up so far

After spending time with the departmental officers local administration the local Education Officers Headmasters and teachers meeting the sarpanch and panchayat members and the villagers seeking the environment and examining the cleanliness in the rooms and the schools premises the Committee feels that there is an urgent need to streamline the entire process

The Committee recommends that some special audit requires to be conducted to examine all these programmes/schemes throughout the State covering last 5 years by the A G. Haryana or some independent audit machinery and submit a report to the Committee in this regard at the earliest

The Committee is of the view that the prevailing purchase system which allows the authorities to purchase from the Government approved sources needs to be relooked afresh and a foolproof transparent system of the purchases being made to be evolved by the higher authorities

The Committee recommends that the Financial Commissioner and Principal Secretary to Government, Haryana, Education Department should review the purchase system under all these activities and take all the corrective measures to make it more transparent and report in this regard be submitted within a period of three months

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