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**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2004

(CIVIL)

GOVERNMENT OF HARYANA

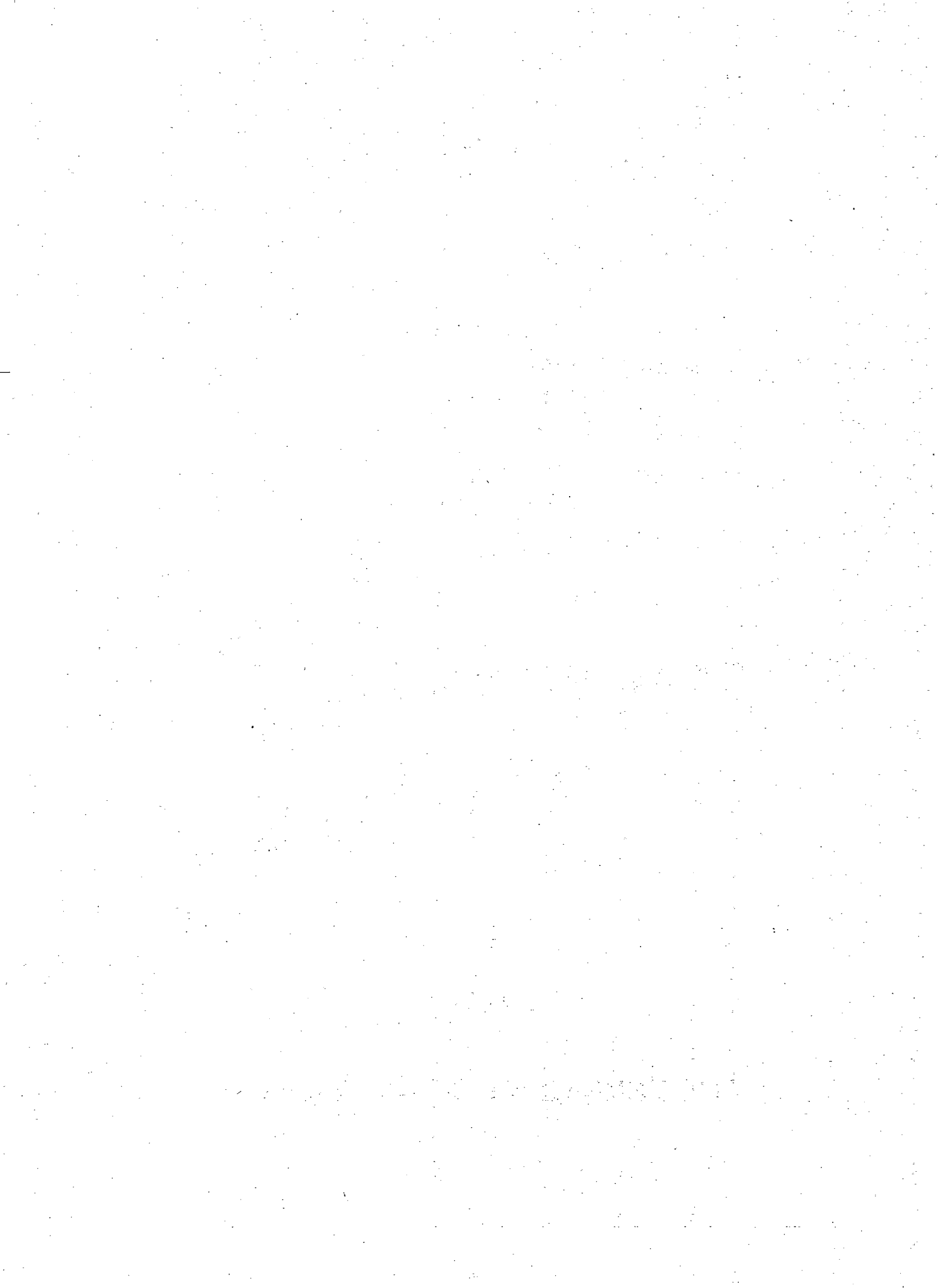


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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution of India.
2. Chapter I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2004.
3. Chapter III deals with the findings of performance audit in various departments while Chapter IV deals with the findings of audit of transactions in the various departments including the Public Works and Irrigation Departments, audit of Autonomous Bodies and departmentally run commercial undertakings. Chapter V deals with the comments on internal control mechanism existing in selected departments in the State.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2003-04 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2003-04 have also been included wherever necessary.

OVERVIEW

OVERVIEW

The Report includes two Chapters on Finance and Appropriation Accounts of the Government of Haryana for the year 2003-04 and three other Chapters comprising six reviews and 23 paragraphs, based on the audit of certain selected programmes and activities and financial transactions of Government. A synopsis of findings contained in the Report is presented in this overview.

As per existing arrangement, copies of the draft audit paragraphs and reviews are sent demi-officially to the concerned Secretaries to the State Government by the Accountant General (AG), with a request to furnish replies within six weeks. The Secretaries are also reminded demi-officially by the AG for replies. However, despite such efforts, no reply had been received in respect of 15 out of 23 draft audit paragraphs and five out of six reviews as of August 2004.

1 An overview of the Finances of the State Government

- Revenue receipts of the Government increased by 71 *per cent* from Rs 5,767 crore in 1999-2000 to Rs 9,843 crore in 2003-04. The share of tax revenue (Rs 6,348 crore) and non-tax revenue (Rs 2,223 crore) in total revenue receipts was 64 and 23 *per cent* respectively in 2003-04.
- Eighty seven *per cent* revenue came from State's own resources whereas central tax transfers and grants-in-aid contributed nearly 13 *per cent* of the total revenue.
- Out of total arrears of revenue for Rs 851 crore as of March 2004, Rs 227 crore (27 *per cent*) were outstanding for more than five years indicating unsatisfactory tax compliance.
- Total expenditure increased by 59 *per cent* from Rs 8,132 crore in 1999-2000 to Rs 12,932 crore in 2003-04. The increase of Rs 2,698 crore during the current year over 2002-03 was mainly due to providing loan of Rs 2,114 crore for transmission and distribution of electricity.
- Revenue expenditure increased by 46 *per cent* from Rs 6,952 crore in 1999-2000 to Rs 10,117 crore in 2003-04. During the year, revenue expenditure increased by Rs 775 crore (eight *per cent*) which was mainly due to more expenditure on interest payments, pensions and other retirement benefits apart from subsidy of Rs 924 crore to Haryana Vidyut Prasaran Nigam Limited for rural electrification.
- Relative share of plan, capital and developmental expenditure in total expenditure declined from 22, 11 and 60 *per cent* in 1999-2000 to 17, 3 and 47 *per cent* respectively in 2003-04.

- The share of general services, social services and economic services in total expenditure declined from 36, 30 and 31 *per cent* in 1999-2000 to 34, 25 and 21 *per cent* respectively in 2003-04, whereas the share of loans and advances increased from 4 *per cent* in 1999-2000 to 19 *per cent* in 2003-04.
- Huge expenditure on salaries (Rs 3,256 crore), interest payments (Rs 2,113 crore) and pensions (Rs 766 crore) during the current year consumed 62 *per cent* of revenue receipts.
- Interest payments increased steadily by 56 *per cent* from Rs 1,357 crore in 1999-2000 to Rs 2,113 crore in 2003-04 and consumed 21 *per cent* of revenue receipts and constituted 21 *per cent* of revenue expenditure during the year.
- Capital expenditure decreased from Rs 1,467 crore in 2001-02 to Rs 386 crore in 2003-04. Decrease in expenditure was due to healthy recoveries over expenditure incurred for procurement of foodgrains under grain supply schemes during the year.
- Revenue deficit decreased from Rs 1,185 crore in 1999-2000 to Rs 274 crore in 2003-04, but fiscal deficit increased from Rs 2,132 crore to Rs 2,933 crore during the same period. This indicates the fiscal imbalances of State.
- State Government invested Rs 1,689.51 crore in Statutory Corporations, Joint Stock Companies and Co-operative Societies. Dividend received from these investments was less than even one *per cent* (Rs 4.11 crore). Government had invested Rs 1,377 crore in one Statutory Corporation and 13 Government loss-making Companies, where the accumulated losses were Rs 1,280 crore.
- Total revenue received from seven major irrigation projects was only 45 *per cent* (Rs 140.28 crore) against the cumulative expenditure of Rs 313.72 crore. Net profit (Rs 21.75 crore) after meeting the working and maintenance expenditure (Rs 102.58 crore) was only seven *per cent* of the total expenditure.
- Overall fiscal liabilities of the State Government increased by 81 *per cent* from Rs 12,249 crore in 1999-2000 to Rs 22,194 crore in 2003-04. These liabilities as ratio to GSDP increased from 25 *per cent* in 1999-2000 to 30 *per cent* in 2003-04 and stood 2.26 times of revenue receipts.
- Assistance to different Bodies/Authorities increased by 77 *per cent* from Rs 411.42 crore in 1999-2000 to Rs 727.21 crore in 2003-04.

(Paragraphs 1.1 to 1.9)

Indicators of financial position of the State

Government did well in reducing the revenue deficit by 60 *per cent* during the year. However, increasing fiscal deficit year after year coupled with mounting arrears of revenue and low investment returns questions the sustainability of the State's finances. This is because as large amounts of revenue (72 *per cent*) were spent on interest payments, pension payments, subsidies and salaries and fresh borrowings were needed to sustain the current expenditure. Most of the borrowings (88 *per cent*) were spent on servicing and repayment of old borrowings leaving a little scope for infrastructure development. The interest liability is bound to increase and further reduce the availability of funds from borrowings for capital formation in years to come unless State Government strengthens the tax collection administration and invest the high cost borrowings more judiciously to broaden the tax base. Government should also consider the disinvestment of loss making companies to reduce its current liabilities.

(Paragraph 1.10)

2. Appropriation and control over expenditure

Excess expenditure of Rs 172.59 crore incurred during 2002-03 was not regularised in terms of Article 205 of the Constitution of India. The Government had not furnished explanations for excess expenditure to the Public Accounts Committee as of August 2004.

(Paragraph 2.1.2)

Supplementary provisions of Rs 30.19 crore obtained in four cases during the year were unnecessary as the expenditure in each case was less than the original provision. In other seven cases, while additional funds of Rs 385.24 crore were needed, supplementary grants and appropriations of Rs 713.75 crore were obtained which resulted in savings of Rs 328.51 crore.

(Paragraph 2.1.5 and 2.1.6)

In 10 cases, against the actual savings of Rs 31.82 crore, the amount surrendered was Rs 281.11 crore resulted in excess surrender of Rs 249.29 crore. Against the final savings of Rs 1,357.07 crore in 45 cases, Rs 1,007.54 crore in 42 cases were surrendered on the last day of the financial year indicating that expenditure and budgetary controls were ineffective.

(Paragraph 2.1.11 and 2.1.10)

Explanations for savings/excesses were not received for 183 (28 *per cent*) out of 645 heads/sub-heads of accounts.

(Paragraph 2.1.15)

3. Working of Animal Husbandry and Dairying Department

Animal Husbandry and Dairying Department aimed at genetic improvement of milch animals, keeping them disease free, providing balanced feed/fodder and improving dairying profession for self-employment of unemployed youth. A review of the working of the Department brought out deficient programme management and inadequate monitoring of the schemes/projects at various levels. Prescribed budgetary procedure was not followed and thus budget proposals were inflated. Live Stock Breeding Programme and Cattle and Buffalo Development Programme were not implemented effectively as there were considerable shortfalls in artificial insemination of buffaloes, conception age and mortality among calves had increased while the milk production had declined. All the LN₂ gas producing plants with the department, required for preserving frozen semen, were non-functional. Internal audit was ineffective as it had covered only five out of 93 offices during 2003-04.

- Against a budget provision of Rs 399.47 crore, Rs 308.46 crore were spent during 2001-04.
- Shortfall in targets in artificial insemination of buffaloes ranged between 12 and 30 *per cent* during 2001-04. In a large number of Veterinary Institutes in Ambala, Bhiwani, Karnal and Rohtak districts, essential equipment such as microscopes, temperature kits, etc. were not provided.
- At Government Livestock Farm, Hisar, fodder and feed was not provided to the Cattle in adequate quantity. Milk production decreased by 23 *per cent* during 2001-04. Decrease in *per acre* production as well as in cultivable area in farm during 2001-04 resulted in loss of Rs 2.91 crore.
- All the eleven liquid Nitrogen Gas Plants in the State were non-functional either for want of repair or because the plants had outlived their lives.
- Rupees 30.79 lakh spent during 1995-2004 on the salary of veterinary surgeons deployed for the production of vaccines for swine fever, renikhet and fowl pox were rendered unfruitful as these vaccines were not produced.

(Paragraph 3.1)

4. Sewerage and Sanitation Schemes including Yamuna Action Plan

Objectives of Sewerage and Sanitation Schemes and Yamuna Action Plan (YAP), implemented by Public Health Department, to provide hygienic sanitation facilities to the public and to reduce water pollution in rivers/canals were not achieved. The department had 85 sewerage and sanitation schemes

in hand as of March 1999, of which 25 were more than five years old but none of these had been completed. This led to spread of unhygienic conditions due to discharge of untreated sewage in the open. Non-fixation of time schedule for completion of works and non-release of funds by Government resulted in non-completion of sewerage schemes. Non-functional and underutilised sewerage schemes led to unfruitful expenditure as sewerage facilities could not be provided in the towns envisaged in the scheme. Scrutiny of records relating to YAP revealed lack of planning for sewage treatment, partial completion/underutilisation of Sewage Treatment Plants (STP), non-maintenance of prescribed standards in treatment of effluent, non-laying of internal sewer lines/drains to link interception and diversion sewers, construction of oxidation ponds without ensuring disposal of treated effluent, underutilisation of STP structures, construction of toilet units in unidentified areas, etc. All these factors led to non-achievement of goals of providing hygienic sanitary conditions and reducing water pollution in Yamuna river and canals.

- Out of total 749.15 MLD sewage generated in the entire State, only 254.50 MLD sewage (34 per cent) was treated.
- Public Health Department did not complete any of the 85 schemes, of which 25 were more than five years old. No time frame was fixed for their completion.
- Expenditure of Rs. 2.64 crore on construction of Interception and Diversion sewer in Gurgaon was rendered unfruitful because of non-construction of internal sewer lines for connecting it.
- Treated effluent from Sewage Treatment Plant, Yamunanagar constructed at cost of Rs 9.02 crore, was discharged into Western Jamuna Canal irregularly contaminating the drinking water, as arrangements for separate channel to carry the treated effluents were not made.
- Treated water of oxidation pond, constructed at cost of Rs 1.06 crore at Karnal, was discharged in low lying area near the plant, without making arrangement for its disposal.
- In four towns, surface drains were laid at a cost of Rs. 1.67 crore without making arrangement for funds/land for disposal works for treated effluent, which rendered the expenditure unfruitful.
- Sewerage schemes completed at a cost of Rs. 1.09 crore in three villages in Hisar district were non-functional because the villagers did not come forward to obtain sewerage connections.
- Rupees 13.74 crore were outstanding against Haryana Urban Development Authority on account of proportionate maintenance charges of STPs.

(Paragraph 3.2)

5. Pradhan Mantri Gram Sadak Yojana

The primary objective of Pradhan Mantri Gram Sadak Yojna (PMGSY) was to provide connectivity by way of an all weather road to unconnected habitations in rural areas. Audit observed that there were only two unconnected habitations in the State; even these were not connected during 2000-04 not withstanding the fact that the focus of the scheme was on new connectivity. The entire funds received under the scheme were spent by the State on upgradation of roads though the scheme guidelines had provided only for 20 per cent of funds for upgradation and balance bulk of funds for new connectivity. Even in the roads which were taken up for upgradation, there was a shortfall in achievements of targets as out of 67 roads taken up, only 41 were upgraded. Non-achievement of targets was also attributed to non-utilisation of funds by the State Government. Audit also noticed that works were designed with inadequate specifications, funds were diverted to other schemes, penalty for delayed completion of works not levied and performance bank guarantees from contractors for maintenance of works for five years were not obtained.

- About 24 per cent of funds received from Government of India (GOI) remained unspent, although one-third the length of roads targeted for completion remained incomplete/not taken up.
- Department failed to connect even the two unconnected habitations in the State inspite of availability of funds. Against the target of upgradation of 67 village roads, 41 were upgraded during 2000-04.
- Chandimandir-Jallah road strengthened and widened at a cost of Rs 45.03 lakh had deteriorated within one year and 6 months of its completion and in certain reaches, the road was even non-existent due to inadequate specifications, non-provision of side drains, etc.
- Contrary to the scheme guidelines, eight divisions did not obtain bank guarantees for Rs 3.58 crore to serve as performance guarantees for five years after completion of works.
- Provincial Division, Naraingarh did not invoke penalty clause for delay in completion of works within prescribed time frame, which gave undue financial benefit of Rs 46.36 lakh to the contractor.
- An expenditure of Rs 2.41 crore was incurred on works in violation of scheme guidelines on repair of road, adoption of rich specifications, charging of cost overrun to scheme and on other works/schemes.

Paragraph 3.3)

6. Working of Shivalik Development Board

Main objectives of Shivalik Development Board were to raise the living standards of the people in the areas of Shivalik range through integrated development of hilly and semi-hilly areas. Thrust was on creation of infrastructure viz. construction/repair of roads, construction of buildings for health centres, schools, colleges and installation of tubewells. Its members were high ranking Government nominees with the State Chief Minister at the helm of affairs besides Ministers/Chief Secretary and Secretaries of various departments being ex-officio members. Although the original intention of having high profile nominees seemed to give special focus to the development of the area, it so turned out that none of the officials could provide adequate attention to monitor the progress of works since the Board failed to meet regularly. The Board failed to formulate specific schemes on long-term basis to achieve the objective of raising the living standard of the people in the area. Physical targets/time schedule for completion of works were not fixed as a result of which execution of works got delayed and funds remained unspent with the implementing agencies. A large number of tubewells remained non-functional for want of repairs. Co-ordination Committee required to monitor the schemes did not hold its meeting even once during last five years as the Government failed to appoint the President of the Committee. The Board had never evaluated the extent of improvement brought about in the standard of living of people in the area as a result of implementation of the various programmes/schemes. The basic intent of having a separate Board to provide focused development of the area, therefore, remained unachieved. Lackadaisical approach to implementation coupled with the unwieldy nature of the Board, thus presents a case before the Government for consideration of winding up of this Board and instead pursuing the development of the area through the normal implementing departments, who, in any case, are the implementing agencies for the Board.

- The Board did not formulate schemes/programmes on long-term basis specifying aims, objectives and targets for raising the standard of living of the people.
- More than 90 *per cent* of the funds (Rs 3.15 crore) received from Government of India in 2001-02 for installation of tubewells, remained unutilized due to non-formulation of schemes.
- Abandonment of two roads, after execution of earthwork at a cost of Rs 60.40 lakh, rendered the entire expenditure wasteful.
- Out of 72 deep tubewells to be handed over to village Farmers' Co-operative Societies after their repair, only 20 were handed over and the remaining 52 were lying non-functional/un-repaired.
- Co-ordination Committee, which was responsible for monitoring the progress of implementation of schemes, did not meet even once during 1999-2004.

(Paragraphs 3.4)

7. Indian System of Medicines and Homoeopathy

Indian System of Medicines and Homoeopathy, implemented by Ayurveda Department, aimed at providing medical relief to the masses and education through undergraduate and diploma courses. Audit observed that a large number of posts of doctors and para-medical staff remained vacant. Expenditure on establishment was more than 90 *per cent* while expenditure on medicines was nominal. Bed occupancy in all the three Government Ayurvedic Hospitals in the State was very low. Medicines supplied to various Institutions were never got tested in the laboratory to ensure their quality standard as required under the Drugs and Cosmetics Act-1940. Even expired medicines were issued to patients. A large number of dispensaries did not have even the basic facilities of drinking water and electricity. In Shri Krishna Government Ayurvedic College and Hospital, Kurukshetra, there was acute shortage of teaching staff, clinical test facilities were inadequate due to non-providing the post of pathologist and bed occupancy in the hospital was low. More than 50 *per cent* seats for diploma in pharmacy could not be filled. These deficiencies led to inadequate medical services and medical education.

- Norms for doctor-patient ratio to assess the workload of individual dispensaries with reference to the number of outdoor patient department (OPD) patients were not prescribed to assess the justification for posts of doctors/para-medical staff.
- Vacancies of 84 doctors and 250 para-medical staff affected the working of the Department of Ayurveda.
- Bed occupancy in Shri Krishna Ayurvedic Medical College and Hospital, Kurukshetra and Government Ayurvedic Hospitals at Imlota was very low and ranged upto 30 *per cent* during 1999-2004.
- The department was required to ensure availability of standard quality drugs to consumers. Though medicines for Rs 5.13 crore were purchased during 1999-2004, these were not got tested in the laboratory for determining their quality standard. Ayurvedic dispensaries in Bhiwani and Jhajjar districts issued 8,160 packets of expired dicyon tablets to patients.
- There was shortage of teaching staff in Shri Krishna Ayurvedic College and Hospital, Kurukshetra as there were only 8 to 11 faculty members against 43 required as per norms laid down by Central Council of Indian Medicines. Besides, 26 to 29 seats (against in-take capacity of 50) for diploma course in pharmacy could not be filled in any year during 2001-04.

(Paragraph 3.5)

8. Wasteful expenditure

Haryana Urban Development Authority (HUDA) acquired 402.75 acres of land falling in the river *Ghaggar* and consequently the entire expenditure of Rs 23.36 crore incurred on it was rendered wasteful.

(Paragraph 4.1.1)

9. Overpayment/excess payment

In three divisions of Public Works Department (Buildings and Roads Branch), non-implementation of Government's decision for recovery of difference of sales tax resulted in overpayment to contractors and loss of Rs 47.82 lakh to Government.

(Paragraph 4.1.2)

Failure of Treasury Officers/Bank Officers in observing rules/orders resulted in overpayment of Rs 35.20 lakh of pensionary benefits.

(Paragraph 4.1.3)

In nine District Rural Development Agencies (DRDAs), the payment of assistance of Rs 20,000 per unit for conversion of *kutchha* houses to *pucca* houses in plain areas and Rs 22,000 in hilly areas, instead of Rs 10,000 as provided in the scheme, resulted in excess payment of Rs 16.07 crore to 16,047 beneficiaries.

(Paragraph 4.3.5)

10. Violation of contractual obligations/undue favour to contractor

In Hathni Kund Barrage Division-I, Jagadhari, non-revision of rates as per terms and conditions of contract agreement had resulted in excess payment of Rs 30.01 lakh.

(Paragraph 4.2.1)

11. Avoidable/excess/unfruitful expenditure

Decision of HUDA to withhold the amount of land compensation, instead of depositing it in the court, led to avoidable payment of interest of Rs 28.47 lakh on delayed payment.

(Paragraph 4.3.1)

Non-providing of adequate science faculty in six upgraded Senior Secondary Schools defeated the objectives of upgradation and payment of salary to skeleton idle staff without science students had rendered Rs 55.86 lakh unfruitful.

(Paragraph 4.3.2)

In Public Health Division-I, Hisar, additional structures of water supply scheme, constructed by spending Rs 46.38 lakh, remained unutilised due to non-remodelling of carrier channel.

(Paragraph 4.3.3)

In Public Health Division-II, Sirsa, injudicious decision to construct separate water works, based on inflated population projection, resulted in extra burden of Rs 39.49 lakh on State exchequer as existing structures were sufficient to meet the water requirement.

(Paragraph 4.3.4)

In three Public Health Divisions, structures of three water supply schemes, constructed by spending Rs 2.22 crore, without ensuring the availability of additional raw water, remained unutilised.

(Paragraph 4.3.6)

In four depots of Haryana Roadways, the failure of General Managers to comply with the provisions of Motor Vehicle Act had resulted in avoidable payment of compensation of Rs 43.09 lakh.

(Paragraph 4.3.7)

Three depots of Haryana Roadways paid special road tax to Rajasthan State without plying buses/ plying buses on shorter routes and paid penalty due to delayed payment resulting in extra burden of Rs 49.22 lakh on State exchequer.

(Paragraph 4.3.8)

District Food and Supplies Controller, Rewari did not follow the instructions of Food Corporation of India to supply wheat directly to FCI depots thereby causing a loss of Rs 71.83 lakh to Government on account of carry-over and storage charges.

(Paragraph 4.3.9)

In Siwani Water Services Division, Bhiwani, Rs 6.14 crore spent on construction/remodelling of channels for linking Bhakra Canal System and Western Jamuna Canal System failed to achieve the objectives of better irrigation facilities due to improper planning.

(Paragraph 4.3.10)

By providing books free of cost to general category students in contravention of provisions and further getting the books printed in excess of actual requirement, Haryana Prathamik Shiksha Pariyojna Parishad incurred avoidable expenditure of Rs 3.98 crore.

(Paragraph 4.3.11)

Failure of Maharshi Dayanand University, Rohtak to supply steel in time for construction of auditorium despite availability of funds resulted in an extra expenditure of Rs 30.27 lakh.

(Paragraph 4.3.12)

In 12 depots of Haryana Roadways, non-insurance of buses resulted in avoidable expenditure of Rs 3.73 crore on account of compensation.

(Paragraph 4.3.13)

12. Idle investment/idle establishment/blockage of funds

Delay in creating infrastructure for installation of Cobalt Therapy Unit at General Hospital, Bhiwani and non-procurement of the equipment had not only led to blockage of funds of Rs 1.98 crore over a period of three years but also resulted in non-achievement of programme objectives.

(Paragraph 4.4.1)

13. Regulatory issues and other points

Thirteen DRDAs failed to recover the revolving fund of Rs 2.73 crore advanced to 1,398 defunct Development of Women and Children in Rural Areas (DWCRA) groups, which resulted in blockage of funds for five years.

(Paragraph 4.5.1)

Rs 5.04 crore drawn for setting up a Wide Area Network, in advance of requirement by Director General of Police, remained outside the Government Accounts for two years which resulted in a loss of interest of Rs 86.91 lakh.

(Paragraph 4.5.2)

14. Internal Control System and Internal Audit Arrangement

Internal Control and Internal Audit System safeguards against errors and irregularities in operational and financial matters. It examines and evaluates the level of compliance of departmental rules and procedures. Internal Control System in Panchayat Department was not effective as administrative and financial procedures prescribed by the Government through various Codes/Manuals/Instructions were not followed. Internal audit arrangements in Development Department were not satisfactory as there was pendency in

audit, inordinate delay in issue of audit notes and increase in number of outstanding audit objections over the years.

- Inspection of sub-offices by head of department, system of calendar of dates/events to ensure quick disposal of cases, preparation of calendar of return to ensure timely submission of returns/statements to concerned authorities were not done/adopted in Panchayat Department.
- System of checking of totals of cash-book other than writer of cash-book, physical verification of cash at the end of each month and reconciliation of treasury schedules with cash-book every month were not followed properly.
- There was lack of planning for conducting internal audit. Inordinate delays in issue of inspection reports persisted. Further, out of 1,929 paragraphs issued during 1999-2004, 634 paragraphs were settled and 1,295 paragraphs were outstanding, which is indicative of failure to secure compliance to audit objections.

(Paragraphs 5.1)

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

In Summary

Haryana State had a relatively comfortable financial year. The revenue deficit reduced from Rs 685 crore in 2002-03 to Rs 274 crore in 2003-04, although there was a significant growth in fiscal deficit from Rs 1,471 crore in 2002-03 to Rs 2,933 in 2003-04.

Substantial growth in revenue receipts during the year was due to collection of more receipts under Sales Tax (Rs 501 crore), Stamp and Registration Fee (Rs 154 crore), interest receipts from Public Sectors and other undertakings (Rs 144 crore), State Lotteries (Rs 140 crore), Electricity Duty (Rs 58 crore) and State Excise (Rs 45 crore). On an average around 87 *per cent* of the revenue had come from the State's own resources. Sales Tax was the major source of State's own tax revenue and contributed 61 *per cent*. This was followed by State Excise (15 *per cent*), Stamp Duty and Registration Fee (11 *per cent*) Taxes on Goods and Passengers, etc. (10 *per cent*). Of non-tax revenue, State Lotteries (25 *per cent*), Road Transport (22 *per cent*) and Interest receipts (22 *per cent*) were the principal contributors.

Overall expenditure of the State increased from Rs 8,132 crore in 1999-2000 to Rs 12,932 crore in 2003-04. Revenue expenditure constituted 78 *per cent* of total expenditure. Capital Expenditure apparently decreased during the year, due to realisation of Rs 669.68 crore of recoveries under 'Procurement and Supply of Food Grains'. The expenditure on loans and advances increased by 434 *per cent* due to grant of loan of Rs 2,114 crore to Haryana Vidyut Prasaran Nigam Limited during the year.

Salaries (Rs 3,256 crore), interest payments (Rs 2,113 crore), pensions (Rs 766 crore) and subsidies (Rs 957 crore) alone consumed 72 *per cent* of total revenue receipts of the State during the year. The overall fiscal liabilities of the state increased from Rs 12,249 crore in 1999-2000 to Rs 22,194 crore in 2003-04. These liabilities as a ratio of GSDP increased from 25 *per cent* in 1999-2000 to 30 *per cent* in 2003-04 and stood at 2.26 times its revenue receipts. Nearly one-third of the liabilities had no assets back-up.

Most of the borrowings (88 *per cent*) were spent on repayment of old borrowings, leaving little scope for infrastructure development.

1.1 Introduction

1.1.1 This Chapter discusses the financial position of the Government of Haryana based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in receipts and expenditure, the quality of expenditure and the financial management of the State Government.

The Finance Accounts of the Government of Haryana are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in

the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The lay out of the Finance Accounts is depicted in Box 1.

Box 1

Lay out of Finance Accounts

Statement No. 1 presents the summary of transactions of the State Government—receipts and expenditure, revenue and capital, public debt receipts and disbursements, etc. in the consolidated fund, contingency fund and public account of the State.

Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of 2003-04.

Statement No. 3 gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6 gives the summary of guarantees given by the Government for repayment of loans, etc. raised by the statutory corporations, Government companies, local bodies and other institutions.

Statement No. 7 gives the summary of cash balances and investments made out of such balances.

Statement No. 8 depicts the summary of balances under consolidated fund, contingency fund and public account as on 31 March 2004.

Statement No. 9 shows the revenue and expenditure under different heads for the year 2003-04 as a percentage of total revenue/expenditure.

Statement No. 10 indicates the distribution between charged and voted expenditure incurred during the year.

Statement No. 11 indicates the detailed account of revenue receipts by minor heads.

Statement No. 12 provides detailed account of revenue expenditure by minor heads under non-plan, State plan and centrally sponsored schemes separately and capital expenditure major head wise.

Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of 2003-04.

Statement No. 14 shows the details of investments of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies, etc. up to the end of 2003-04.

Statement No. 15 depicts the capital and other expenditure to the end of 2003-04 and the principal sources from which the funds were provided for that expenditure.

Statement No. 16 gives the detailed account of receipts, disbursements and balances under heads of account relating to debt, contingency fund and public account.

Statement No. 17 presents detailed account of debt and other interest bearing obligations of the Government of Haryana.

Statement No. 18 provides the detailed account of loans and advances given by the Government of Haryana, the amount of loan repaid during the year, the balance as on 31 March 2004 and the amount of interest received during the year.

Statement No. 19 gives the details of earmarked balances of reserve funds.

1.2 Trend of finances with reference to the previous year

1.2.1 Finances of the State Government during the current year compared to the previous year were as under:

(Rupees in crore)

2002-03	Sr. No	Major Aggregates	2003-04
8,657	1	Revenue Receipts (2+3+4)	9,843
5,550	2	Tax Revenue	6,348
1,808	3	Non-Tax Revenue	2,223
1,299	4	Other Receipts	1,272
106	5	Non-Debt Capital Receipts	156
106	6	Of which Recovery of Loans	156
8,763	7	Total Receipts (1+5)	9,999
8,171	8	Non-Plan Expenditure (9+11+12)	10,563
8,293	9	On Revenue Account	8,993
1,946	10	Of which, Interest Payments	2,113
(-) 122	11	On Capital Account	1,570
288	12	Of which Loans disbursed	2,238
2,063	13	Plan Expenditure (14+15+16)	2,369
1,049	14	On Revenue Account	1,124
1,014	15	On Capital Account	1,245
168	16	Of which Loans disbursed	191
10,234	17	Total Expenditure (8+13)	12,932
1,471	18	Fiscal Deficit (17-7)	2,933
685	19	Revenue Deficit (9+14-1)	274
(-) 475	20	Primary Deficit (+)/Surplus(-) (18-10)	820

1.3 Summary of receipts and disbursements

1.3.1 Table 1 summarises the finances of the State Government of Haryana for the year 2003-04 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and public account receipts and disbursements made during the year as emerging from Statement-1 of Finance Accounts and other detailed statements.

Table 1 SUMMARY OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2003-04 (Rupees in crore)

2002-03	Receipts	2003-04	2002-03	Disbursements	2003-04		
Section-A: Revenue							
					Non-Plan	Plan	Total
8,657.02	I. Revenue receipts	9,843.48	9,342.13	I. Revenue expenditure	8,992.84	1124.35	10,117.19
5,549.68	Tax revenue	6,348.05	3,995.32	General Services	4,338.48	29.24	4,367.72
1,807.85	Non-tax revenue	2,223.06	2,808.70	Social Services	2,287.34	708.37	2,995.71
756.59	Share of Union Taxes/Duties	600.75	2,532.48	Economic Services	2,319.31	386.74	2,706.05
542.90	Grants from Government of India	671.62	5.63	Grants-in-aid / Contributions	47.71	-	47.71
Section-B: Capital							
-	II. Misc. Capital Receipts	-	435.80	II. Capital Outlay	(-668.00)	1053.65	385.65
106.30	III. Recoveries of Loans and Advances	155.58	456.43	III. Loans and Advances disbursed	2,238.34	190.98	2,429.32
3,648.93	IV. Public Debt receipts*	6,284.76	1,932.28	IV. Repayment of Public Debt	3,789.52	-	3,789.52
4,920.81	V. Public account receipts	7,662.06	5,288.81	V. Public account disbursements	6,573.32	-	6,573.32
155.87	Opening Balance	33.48	33.48	Closing Balance	684.36	-	684.36
17,488.93	Total	23,979.36	17,488.93	Total	21,610.38	2,368.98	23,979.36

Note: Minus expenditure is because of recoveries on capital account.

* Includes net ways and means advances and over draft.

1.4 Audit methodology

1.4.1 Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and from the statements of the Finance Accounts for the year 2003-04 and wherever necessary, show these in the light of time series data and periodic comparisons. Major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and loans and advances, etc. have been presented as percentages to the State's Gross Domestic Product (GSDP) at current market prices. For tax revenues, non-tax revenues, revenue expenditure, etc. buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP. The key indicators adopted for the purpose are (i) Resources by volumes and sources, (ii) Application of resources, (iii) Assets and liabilities and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilization efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body

corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

In addition, the section also contains a paragraph on indicators of financial performance of the Government. Some of the terms used here are explained in *Appendix I*.

State finances by key indicators

1.5 Resources by volumes and sources

1.5.1 Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise of miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources viz. market loans, borrowings from financial institutions/commercial banks, etc. and loans and advances from Government of India as well as accruals from Public Account.

Table 2 shows that the total receipts of the State Government for the year 2003-04 were Rs 23,946 crore. Of these, revenue receipts of the State Government were only Rs 9,843 crore, constituting 41 *per cent* of the total receipts. The balance of receipts came from borrowings and public account receipts.

Table 2 – Resources of Haryana

(Rupees in crore)

I. Revenue Receipts	9843
II. Capital Receipts	6,441
a. Miscellaneous Receipts	
b. Recovery of Loans and Advances	156
c. Public Debt Receipts	6,285
III. Public Account Receipts	7,662
a. Small Savings, Provident Funds, etc.	1,000
b. Reserve Funds	177
c. Deposits and Advances	4,457
d. Suspense and Miscellaneous	194
e. Remittances	1,834
Total Receipts	23,946

Revenue receipts

1.5.2 Statement 11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts of the State consist mainly of its own taxes and non-tax revenues, central tax transfers and grants-in-aid from Government of India. Overall revenue receipts, their annual rate of growth,

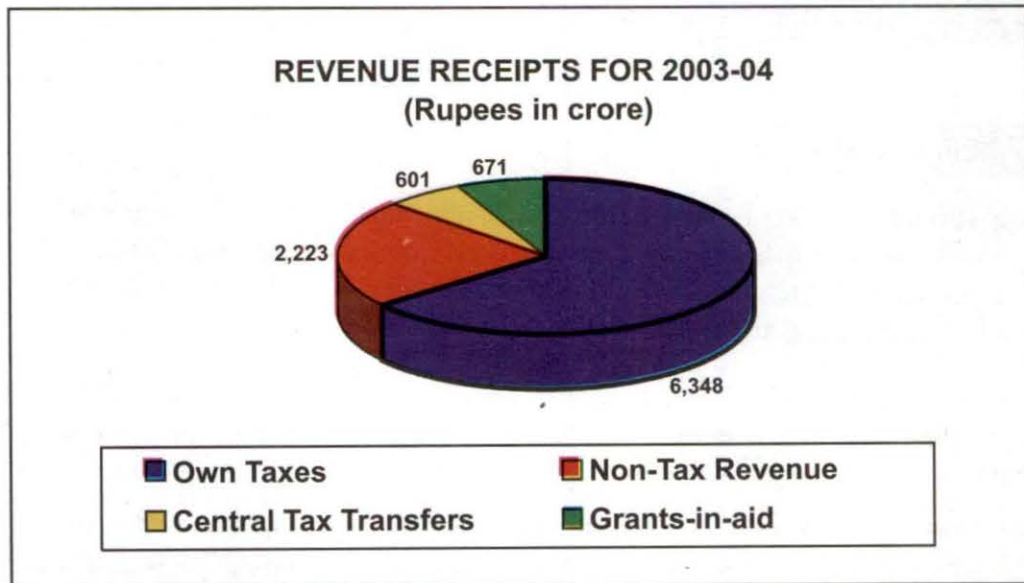
ratio of these receipts to the State's Gross Domestic Product and their buoyancy are indicated in Table 3.

Table 3: Revenue Receipts – Basic Parameters (Values: Rupees in crore and others in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Revenue Receipts	5,767	6,574	7,600	8,657	9,843
Own taxes	61.00	65.58	65.41	64.12	64.49
Non-Tax Revenue	21.83	21.89	21.92	20.88	22.58
Central Tax Transfers	9.10	5.26	5.92	8.73	6.11
Grants-in-aid	8.07	7.27	6.75	6.27	6.82
Rate of Growth	5.26	13.99	15.61	13.91	13.70
Revenue Receipts/GSDP	11.79	11.94	12.62	13.15	13.49
Revenue Buoyancy	0.436	1.114	1.666	1.487	1.263
GSDP Growth	12.06	12.56	9.37	9.34	10.85

Revenue receipts of the State increased by 71 per cent from Rs 5,767 crore in 1999-2000 to Rs 9,843 crore in 2003-04. The increase in revenue during the year over 2002-03 from Rs 8,657 crore to Rs 9,843 crore was mainly on account of Sales Tax (Rs 501 crore), Stamps and Registration Fees (Rs 154 crore) interest receipts from Public Sector and other undertakings (Rs 144 crore), State Lotteries (Rs 140 crore), major and medium irrigation on sale of water (Rs 131 crore), Electricity duty (Rs 58 crore) and State Excise (Rs 45 crore).

While on an average around 87 per cent of the revenue came from the State's own resources, central tax transfers and grants-in-aid together continued to contribute nearly 13 per cent of the total revenue. Sales tax was the major source of State's own tax revenue having contributed 61 per cent of the tax revenue followed by State Excise (15 per cent), stamp duty and registration fee (11 per cent), taxes on goods and passengers, etc. (10 per cent). Of non-tax revenue sources, State Lotteries (25 per cent), Road Transport (22 per cent) and interest receipts (22 per cent) were the principal contributors. The high receipts under State Lotteries (Rs 547.16 crore) during the year were, however, neutralised by equally high expenditure of Rs 559.32 crore on State Lotteries. Similarly, the receipts of Rs 482.21 crore under Transport during the year were neutralised by equally high expenditure of Rs 557.70 crore under the Transport as Haryana does not have a Road Transport Corporation and the State buses are run under the Department of Transport directly. Further, a large chunk of interest receipts (Rs 482.12 crore) was notional in nature as these were from the State's own irrigation works, civil supplies expenditure, road transport and multi purpose river scheme.



Besides, the arrears of revenue increased by 173 *per cent* from Rs 312 crore in 1999-2000 to Rs 851 crore at the end of 2003-04. Of these, Rs 227 crore (27 *per cent*) were outstanding for a period of more than five years. Arrears were mainly in respect of taxes on sales, trade, etc. (Rs 717.39 crore), taxes and duties on electricity (Rs 64.06 crore), taxes on goods and passengers (Rs 29.87 crore) and State Excise (Rs.28.67 crore). The deterioration in the position of arrears of revenue leaves much to be desired about the revenue realising efforts of the State Government.

The source of revenue receipts under different heads and GSDP during 1999-2004 is indicated in Table 4.

Table 4 – Sources of receipts: Trends

(Rupees in crore)

Year	Revenue Receipts	Capital Receipts			Total Receipts	Gross State Domestic Product
		Non-Debt Receipts	Debt Receipts	Accruals in Public Account		
1999-2000	5,767	223	2,038	3,789	11,827	48,910
2000-01	6,574	69	1,882	4,478	13,003	55,055
2001-02	7,600	85	3,359	4,914	15,958	60,212
2002-03	8,657	106	3,649	4,921	17,333	65,837
2003-04	9,843	156	6,285	7,662	23,946	72,980

There was appreciable increase in the receipts from Public debt and Public Account during the years 2003-04 while Government borrowings increased by 72 *per cent*, the Public Account receipts increased by 56 *per cent*. About 68 *per cent* of the borrowings were applied for savings and repayment of debt leaving very little for infrastructure/levelpayment/growth of GSDP.

1.6 Application of resources

Trend of Growth

1.6.1 Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. The total expenditure of the State increased by 59 per cent from Rs 8,132 crore in 1999-2000 to Rs 12,932 crore in 2003-04.

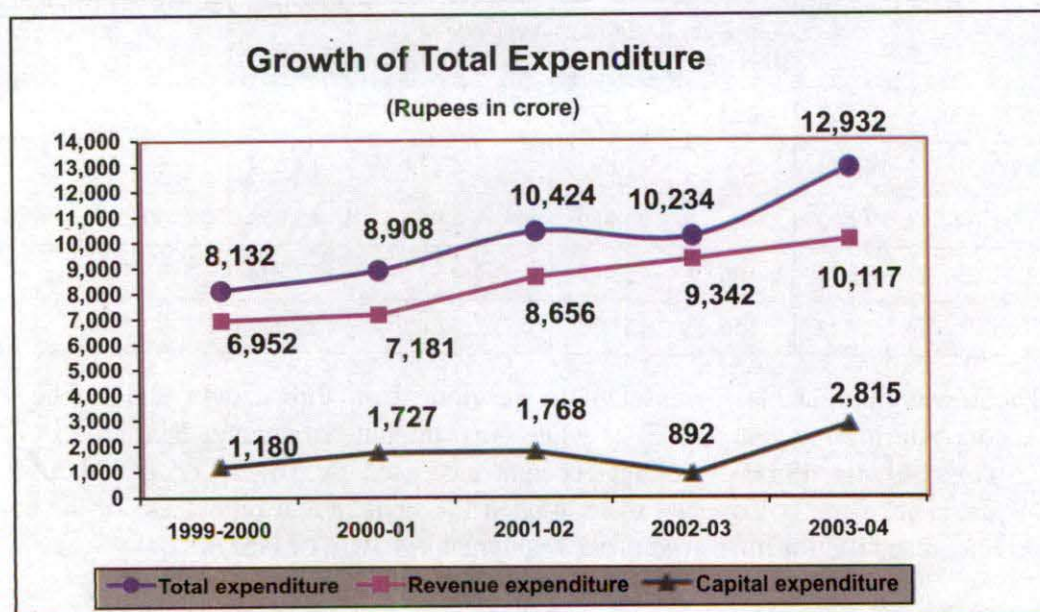
Total expenditure of the State, its annual growth, ratio of expenditure to GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts are indicated in Table-5 below:

Table 5: Total Expenditure – Basic Parameters (Value: Rupees in crore and others in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Total Expenditure (TE)	8,132	8,908	10,424	10,234	12,932
Rate of Growth	1.70*	9.54	17.02	1.82*	26.36
TE/GSDP	16.63	16.18	17.31	15.54	17.72
Revenue Receipts/TE	70.92	73.80	72.91	84.59	76.11
Buoyancy of Total Expenditure with					
GSDP	(-) 0.141	0.760	1.817	(-) 0.195	2.430
Revenue Receipts	(-) 0.324*	0.682	1.090	(-) 0.131	1.924

* Rate of growth of revenue receipts was negative in 1999-2000 and 2002-03.

The increase in expenditure in the current year was primarily due to increase in the disbursement of loans by Rs 2114 crore during the year for transmission and distribution of electricity under “Loans for Power Projects”. There was an upward trend in the ratio of revenue receipts to total expenditure from 71 per cent in 1999-2000 to 76 per cent in 2003-04, indicating that about 24 per cent of the State’s total expenditure was being financed from borrowings.

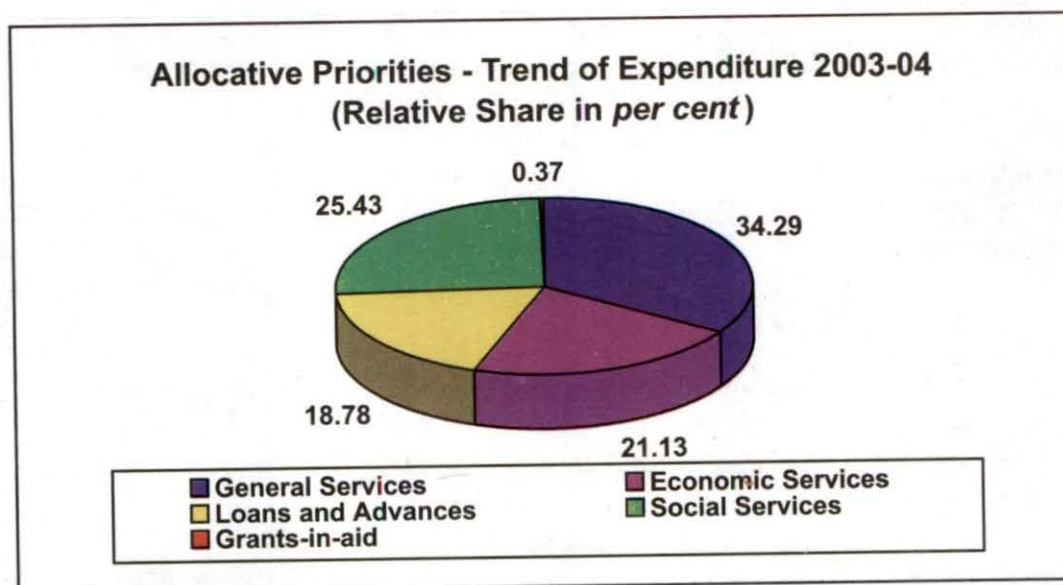


In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services and loans and advances. The relative share of these components in total expenditure is indicated in Table 6.

Table 6: Components of expenditure – Relative Share (in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04
General Services	36.03	35.33	33.93	39.47	34.29
Social Services	29.79	29.74	27.97	29.55	25.43
Economic Services	30.66	31.60	34.92	26.46	21.13
Grants-in-aid	-	0.16	0.29	0.06	0.37
Loans and Advances	3.52	3.17	2.89	4.46	18.78

The movement of relative share of these components of expenditure indicated that while the shares of economic services, general services and social services in total expenditure declined from 31, 36 and 30 *per cent* in 1999-2000 to 21, 34 and 25 *per cent* respectively in 2003-04, the relative share of loans and advances sharply increased from 4 *per cent* in 1999-2000 to 19 *per cent* in 2003-04.



Incidence of revenue expenditure

1.6.2 Revenue expenditure had the predominant share in total expenditure. Revenue expenditure is usually incurred to maintain the current level of assets and services. Over all revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and revenue receipts and their buoyancy with both GSDP and revenue receipts are indicated in Table 7.

Table 7: Revenue Expenditure – Basic Parameters (Value: Rupees in crore and others in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Revenue Expenditure (RE)	6,952	7,181	8,656	9,342	10,117
Rate of Growth	(-) 0.95	3.29	20.54	7.93	8.30
RE/ GSDP	14.21	13.04	14.38	14.19	13.86
RE as per cent of TE	85.49	80.61	83.04	91.28	78.23
RE as per cent to Revenue Receipts	120.55	109.23	113.89	107.91	102.78
Buoyancy of Revenue Expenditure with					
GSDP	(-)0.079**	0.262	2.193	0.848	0.765
Revenue Receipts	(-)0.182**	0.235	1.316	0.570	0.606

** Rate of growth of revenue expenditure and revenue receipts had a negative growth in 1999-2000.

Revenue expenditure of the State increased by 46 per cent from Rs 6,952 crore in 1999-2000 to Rs 10,117 crore in 2003-04. During the year 2003-04 the revenue expenditure increased by Rs 775 crore mainly due to more expenditure on interest payments (Rs 167 crore), transmission and distribution of power (Rs 130 crore), introduction of new lotteries etc. (Rs 126 crore), elementary/secondary education (Rs 81 crore), road transport (Rs 56 crore) and water supply and sanitation (Rs 50 crore).

Revenue receipts financed 97 per cent of revenue expenditure of the State Government during 2003-04, which has led to the decline in revenue deficit. Though the ratio of revenue expenditure to revenue receipts declined during 1999-2004 dependence of the State on borrowings, for meeting its current expenditure, continues primarily due to the fact that salaries (Rs 3,256 crore), interest payments (Rs 2,113 crore), and pensions (Rs 766 crore) alone consumed 62 per cent of total revenue receipts of the State during the year.

High salary expenditure

1.6.3 Salaries alone accounted for nearly 33 per cent of the revenue receipts of the State. The expenditure on salaries increased by 21 per cent from Rs 2,687 crore in 1999-2000 to Rs 3,256 crore in 2003-04 as indicated in the Table 8.

Table 8

(Rupees in crore)

Heads	1999-2000	2000-01	2001-02	2002-03	2003-04
Salary expenditure	2,686.98	2,700.18	3,032.18	3,008.46	3,255.96
As percentage of GSDP	5.49	4.90	5.04	4.57	4.46
As percentage of Revenue Receipts	46.59	41.07	39.90	34.75	33.07

Huge expenditure on pension payments

1.6.4 Pension payments have increased by 30 per cent from Rs 587.36 crore in 1999-2000 to Rs 765.70 crore in 2003-04. Year-wise break-up of expenditure incurred on pension payments during the years 1999-2000 to 2003-04 was as under:

Table 9

Year	Expenditure	Percentage to total revenue
	Rupees in crore	
1999-2000	587.36	8
2000-01	570.84	8
2001-02	657.05	8
2002-03	745.91	8
2003-04	765.70	8

With the increase in the number of retirees, the pension liabilities were likely to increase further in future. The State Government had not constituted any fund to meet the fast rising pension liabilities of the retired State employees. Considering the rate at which pension liabilities are increasing, reforms in the existing pension schemes assume critical importance.

Interest payments

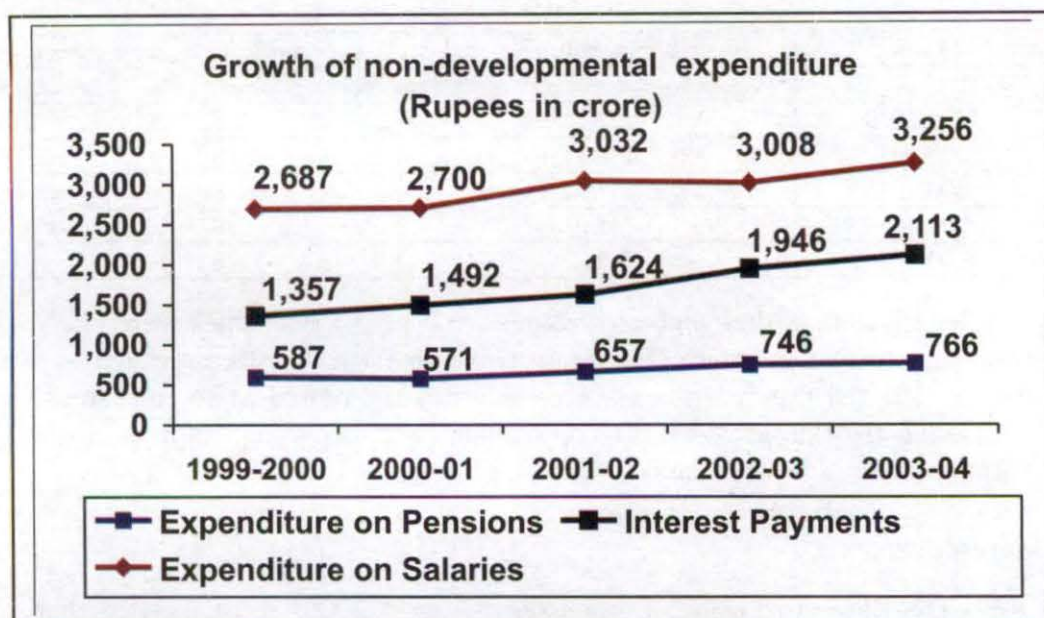
1.6.5 The Eleventh Finance Commission (August 2000) recommended that as a medium term objective, States should endeavour to keep interest payments as a ratio to revenue receipts to 18 *per cent*. It was, however, observed that interest payments as a percentage of revenue receipts ranged between 21 and 24 during the last five years. If we exclude the receipts from State lotteries, Road transport and notional interest receipts from the revenue receipts as there are equally high level of corresponding entries in the revenue expenditure side, interest payments as percentage of revenue receipts would rise upto 25 *per cent* against 21 *per cent* of revenue receipts during 2003-04.

Table 10

Year	Interest Payments	Percentage of interest payment with reference to	
	(Rupees in crore)	Revenue Receipts	Revenue Expenditure
1999-2000	1,357	24	20
2000-01	1,492	23	21
2001-02	1,624	21	19
2002-03	1,946	22	21
2003-04	2113	21	21

In absolute terms, interest payments increased steadily by 56 *per cent* from Rs 1,357 crore in 1999-2000 to Rs 2,113 crore in 2003-04 primarily due to increased interest on Internal Debt by Rs 803 crore. Large interest payments, increasing year after year, due to continued reliance on borrowing for meeting the deficits crowd out the expenditure on primary education, health and social welfare schemes.

The graph given below indicates the growth of non-development expenditure on salaries, interest and pensions during 1999-2000 to 2003-04.



Subsidies by the Government

1.6.6 Though the finances of the State are under strain, State Government has been paying subsidies to the various Nigams, Corporations, etc. During the last five years, State Government paid the subsidies under various schemes as under:

Table 11

		(Rupees in crore)				
Sr. No.	Particulars	1999-2000	2000-01	2001-02	2002-03	2003-04
1.	Haryana Vidyut Prasaran Nigam Limited	412.00	138.33	763.54	829.10	923.88
2.	Haryana State Minor Irrigation (Tubewells) Corporation	42.80	69.51	85.15	39.31	-
3.	Others	14.31	18.15	11.04	15.11	33.56
	Total	469.11	225.99	859.73	883.52	957.44
1.	Percentage Increases (+)/ Decreases (-) over previous years	(-) 47	(-) 52	281	3	8
2.	Percentage of subsidy with total expenditure	6	3	8	9	7

* Corporation closed in July 2002.

During the current year, subsidies constituted seven *per cent* of the total expenditure out of which 97 *per cent* was paid to Haryana Vidyut Prasaran Nigam Limited alone.

1.7 Expenditure by allocative priorities

1.7.1 The actual expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure emerging from Statement 12 of Finance Accounts reflects the allocative priorities of the State. Higher

the ratio of these components to total expenditure, better is deemed to be the quality of expenditure. Table 12 below gives the percentage share of these components of expenditure in State's total expenditure.

Table 12: Quality of expenditure (per cent to total expenditure)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Plan Expenditure	21.97	21.40	20.14	18.52	16.84
Capital Expenditure	10.99	16.22	14.07	4.26	2.98
Developmental Expenditure	60.44	61.34	62.89	56.01	46.56

All the three components of expenditure show a relative decline during 1999-2004. Expenditure on plan component declined from 22 per cent of total expenditure in 1999-2000 to 17 per cent in 2003-04. Development expenditure declined from 63 per cent in 2001-02 to 47 per cent in 2003-04.

Out of the developmental expenditure (Rs 6,021 crore), Social Services (Rs 3,289 crore) accounted for 55 per cent during the year. "Education, Sports, Art and Cultural", "Health and Family Welfare", "Water Supply, Sanitation, Housing and Urban Development" consumed nearly 79 per cent of the expenditure on social sector.

Table 13: Social Sector expenditure

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Education, Sports, Art and Cultural	1,265 (2.59)	1,335 (2.42)	1,480 (2.46)	1,455 (2.21)	1,541 (2.11)
Health and Family Welfare	294 (0.60)	298 (0.54)	322 (0.53)	351 (0.53)	359 (0.49)
Water Supply, Sanitation, Housing and Urban Development	424 (0.87)	423 (0.77)	488 (0.81)	562 (0.85)	691 (0.95)
Total	1,983	2,056	2,290	2,368	2,591

* Percentage of GSDP in brackets.

Similarly, the expenditure on Economic Services (Rs 2,732 crore) accounted for 45 per cent of the developmental expenditure. Of this, Energy (Rs 1,145 crore), Irrigation and Flood Control (Rs 641 crore) and Transport (Rs 994 crore) accounted for 102 per cent of the expenditure on Economic sector. This was due to appreciable recoveries of Rs 670 crore under procurement and supply of food grains in this year.

Table 14: Economic Sector expenditure

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Energy	763.57	405.64	829.54	984.48	1,145.24
Irrigation and flood control	621.61	647.91	779.44	702.78	640.98
Transport	607.51	649.24	877.67	808.44	993.50
Total	1992.69	1,702.79	2,486.65	2,495.70	2,779.72

Financial assistance to local bodies and other institutions

1.7.2 Autonomous bodies and authorities perform non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc. to implement various programmes of Government. The grants are given by Government mainly for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

The quantum of assistance provided to different Bodies, etc. during the period of five years ending 2003-04 was as follows:

Table 15

(Rupees in crore)

Sr. No.	Bodies/authorities, etc.	1999-2000	2000-01	2001-02	2002-03	2003-04
1.	Universities and Educational Institutions	130.43	167.48	215.59	190.14	242.31
2.	Municipal Corporations and Municipalities	103.55	116.26	144.03	158.95	175.96
3.	Zila Parishads and Panchayati Raj Institutions	4.97	9.78	35.77	5.02	59.25
4.	Development Agencies	91.76	119.06	128.32	116.82	114.68
5.	Hospitals and other Charitable Institutions	19.29	12.10	16.04	16.26	10.55
6.	Other Institutions (including statutory bodies)	61.42	87.49	128.71	120.61	124.46
Total		411.42	512.17	668.46	607.80	727.21
	Percentage increase(+)/decrease (-) over previous year	8	24	31	(-) 9	20
	Assistance as a percentage of revenue receipts	7	8	9	7	7
	Percentage of assistance to revenue expenditure	6	7	8	7	7

Delay in furnishing utilisation certificates

1.7.3 The financial rules require that where grants are given for specific purposes, certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General (AG) within 15 months from the date of sanction of the grant unless specified otherwise.

Of 4,111 utilisation certificates due in respect of grants-in-aid of Rs 1,206.95 crore paid during 1991-92 to 2002-03, only 1,575 utilisation certificates for Rs 732.43 crore were furnished to AG by 30 June 2004 and 2,536 certificates for Rs 474.52 crore were in arrears. Department-wise and age-wise break-up is given in *Appendix II*.

Delay in submission of accounts by Autonomous Bodies

1.7.4 The status of submission of accounts by the autonomous bodies and submission of separate Audit Reports thereon to the State Legislature as of June 2004 is given in *Appendix III*.

Audit arrangements

1.7.5 The audit of local bodies (Zila Parishads, Nagar Palikas and Town Area/Notified Area Committees), Educational Institutions, Panchayati Raj Institutions and others was conducted by the Director, Local Fund Audit, Haryana, Chandigarh. Audit of Co-operative Societies is conducted by the Registrar, Co-operative Societies, Haryana, Chandigarh.

The accounts of 84 bodies/authorities, which were received for the year 2002-03, attracted audit by Comptroller and Auditor General of India. Of these, 70 bodies/authorities, audit of which was due, were audited during 2003-04.

Two hundred and seventy four annual accounts of 99 bodies/authorities for 2003-04 and earlier years had not been received as of July 2004 by the Accountant General (Audit). The details are given in *Appendix IV*. Of these bodies/authorities, 22¹ Municipal Committees and seven² Aided Colleges did not submit their accounts for five years or more.

Non-furnishing of accounts of utilisation of grants

1.7.6 Out of 270 autonomous bodies to whom various Government departments released grants-in-aid of Rs 216.62 crore during the year 2002-03, as detailed in *Appendix V*, 242 did not render the accounts for the utilisation of grants to the concerned departments as of July 2004.

Misappropriations, defalcations, etc.

1.7.7 State Government reported 251 cases involving Rs 1.73 crore on account of misappropriations, defalcations, etc. of Government money. These cases pertained to the period from 1971-72 to the end of March, 2004 on which final action was pending at the end of June 2004. The department-wise/year-wise and category-wise break-up of pending cases is given in *Appendix VI and VII* respectively.

¹ Sr. No. 1 to 18, 20, 21, 24 and 25 of *Appendix IV*.

² Sr. No.80, 82, 84, 85, 86, 88 and 96 of *Appendix IV*.

Write off of losses, etc.

1.7.8 During 2003-04, Rs 9.18 lakh representing losses due to theft, fire and irrecoverable revenue, etc. were written off in 8 cases by competent authorities as reported to audit. The relevant details were as under:

Table 16

Sr. No.	Department	Number of cases	Amount (Rupees in lakh)
1.	Animal Husbandry	2	0.72
2.	Agriculture	1	0.45
3.	Forest	1	0.97
4.	Industries	1	1.44
5.	Medical and Health	3	5.60
	Total	8	9.18

1.8 Assets and liabilities

1.8.1 The Government accounting system does not attempt a comprehensive accounting of fixed assets, i.e. land, buildings, etc., owned by the Government. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure. Statement 16 read with details in Statement 17 of Finance Accounts shows the year-end balances under the Debt, Deposit and Remittance heads from which the liabilities and assets are worked out. **Statement-I** presents an abstract of such liabilities and the assets as on 31 March 2004 compared with the corresponding position on 31 March 2003. While the liabilities in this statement consist mainly of money owed by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Fund, the assets are comprised mainly of the capital expenditure and loans and advances given by the State Government. The liabilities of Government of Haryana depicted in the Finance Accounts, however, do not include the pension, other retirement benefits payable to serving/retired State employees, guarantees/letters of comfort issued by the State Government. **Statement-IV** depicts the Time Series Data on State Government Finances for the period 1999-2004.

Financial results of irrigation works

1.8.2 The financial results of seven major irrigation projects with a capital outlay of Rs 313.72 crore at the end of March 2004 showed that revenue realised from these projects during 2003-04 (Rs 140.28 crore) was 45 per cent of the capital outlay. After meeting the working and maintenance expenditure (Rs 102.58 crore) and interest charges (Rs 15.95 crore), there was a surplus of Rs 21.75 crore, which was seven per cent of capital outlay invested on these projects.

Incomplete projects

1.8.3 As per information received from the State Government, as of 31 March 2004, there were five³ incomplete projects in which Rs 35.25 crore were blocked.

Investments and returns

1.8.4 As on 31 March 2004, Government had invested Rs 1,689.51 crore in Statutory Corporations, Joint Stock Companies and Co-operatives. Government's return on this investment was meagre (less than one *per cent*) as indicated in Table 17 below. Of these, one Statutory Corporation and 13 Government Companies with an aggregate investment of Rs 1,377 crore upto 2003-04 were incurring losses and their accumulated losses amounted to Rs 1,280 crore as per the accounts furnished by these companies upto 2002-03 (*Appendix VIII*). Thus Government needs not only to invest the high cost borrowings more judiciously to get better results, but also address the losses on account of such units by their disinvestment.

Table 17: Return on Investment (Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowing (<i>per cent</i>)
1999-2000	2,568.70	7.78	0.30	11.85 and 12.25
2000-01	2,843.73	1.81	0.06	10.52 and 12.00
2001-02	2,905.97	0.40	0.01	8.8, 30, 9.45 and 10.35
2002-03	3,067.25	1.73	0.06	6.75, 6.80, 6.95 and 7.80
2003-04	1689.51	4.11	0.24	5.85, 5.90, 6.20, 6.35 and 6.40

Loans and Advances by State Government

1.8.5 In addition to its investment, Government has also been providing loans and advances to many of these bodies. Total outstanding balance of the loans advanced was Rs 3,903 crore as on 31 March 2004 (Table 18). Overall, interest received against these advances was only 2 *per cent* in 2003-04, which was less than the average rate of interest paid by the State Government for borrowings. Further, in most cases, Government orders sanctioning the loans did not specify the terms and conditions for these loans.

3

Sr. No.	Name of Projects	Expenditure (Rupees in crore)
1.	Periodic maintenance of Karnal-Ramba-Indri-Ladwa-Shahbad Road	9.10
2.	Maintenance of Ambala-Saha-Shahbad Road	5.55
3.	Maintenance of Kala Amb-Sadhaura-Shahbad Road	5.02
4.	Strengthening of existing Rohtak-Bhiwani Road	2.91
5.	Periodic maintenance of Bhiwani-Jui-Loharu Road	12.67
	Total	35.25

Table 18: Average Interest Received on Loans Advanced by the State Government (Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Opening Balance	797	850	1,063	1,279	1,630*
Amount advanced during the year	286	282	301	457*	2,429
Amount repaid during the year	233	69	85	106	156
Closing Balance	850	1,063	1,279	1,630*	3,903
Net Addition (+) / Reduction (-)	53	213	216	350	2,273
Interest received (Rupees in crore)	7	9	8	7	95
Interest received as <i>per cent</i> to outstanding Loans and Advances	0.82	0.85	0.63	0.43	2.43
Average rate of interest paid by the State	12.05	11.26	9.03	7.07	6.14
Difference between rate of interest paid and received	(-)11.23	(-)10.41	(-)8.40	(-)6.64	(-)3.71

* Higher rounding adopted to reconcile the balances.

Commercial activities

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

1.8.6 Activities of quasi-commercial nature are performed by the departmental undertakings of certain Government departments. These undertakings are to prepare *proforma* accounts in the prescribed format annually 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 a timely basis and submit the same to Accountant General for audit.

As of March 2004, there were six such undertakings/schemes with the Government of Haryana. Rupees 1,794.38 crore had been invested by the State Government in these undertakings/schemes 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:

Table 19

Department	No. of undertakings/ schemes under the department	Accounts not finalised (name of undertakings/ schemes)	Year upto which accounts finalised	Investment as per last accounts (Rupees in crore)
Agriculture	2	(i) Purchase and Distribution of Pesticides ⁴ (ii) Seed Depot Scheme ⁴	1984-85 1986-87	2.07 NA
Printing and Stationery	1	Text Book Organisation	2002-03	3.22 (Provisional)
Transport	1	Haryana Roadways	2000-01	326.26
Animal Husbandry	1	Veterinary Vaccine Institute, Hisar	2001-02	0.02
Food and Supplies	1	Grain Supply Scheme	2002-03	1,462.81
Total				1,794.38

It would be seen that the two undertakings relating to Agriculture Department had not prepared their accounts for more than 18 years. Accounts of one undertaking each of Transport, Animal Husbandry, Printing and Stationery and Food and Supplies Departments were in arrears by three, two and one year respectively.

Management of cash balances

1.8.7 It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mis-matches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from Reserve Bank of India has been put in place. Haryana had the WMA limit of Rs 205 crore from 1 April 2003 to 31 March 2004. During the year, the State has used this mechanism for 27 days only as against 64 days last year although it raised borrowings of Rs 1,165 crore from the market on six occasions. In addition a sum of Rs 2,022.29 crore was raised through Haryana Government Power Bond carrying 8.5 per cent interest redeemable during the period from 2006 upto 2016. The whole amount was realised in cash. In a nutshell, the State managed its cash requirements in a much better way this year than in the previous years.

Table 20: Ways and Means and Overdrafts of the State and Interest paid thereon (Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Ways and Means Advances					
Taken in the Year	1,211.78	1,563.46	2,642.96	633.97	238.98
Outstanding	109.41	23.83	178.01	--	--
Interest Paid	2.09	1.28	6.35	3.04	0.26
Overdraft					
Taken in the Year	656.07	764.26	964.01	177.42	--
Outstanding	--	--	406.65	--	--
Interest Paid	1.57	3.10	0.80	0.79	--
Number of Days State was in Overdraft	97	104	70	21	--

⁴ These schemes are defunct since 1986-87 (Purchase and distribution of pesticides) and 1984-85 (Seed Depot scheme).

Undischarged liabilities

Fiscal liabilities—public debt and guarantees

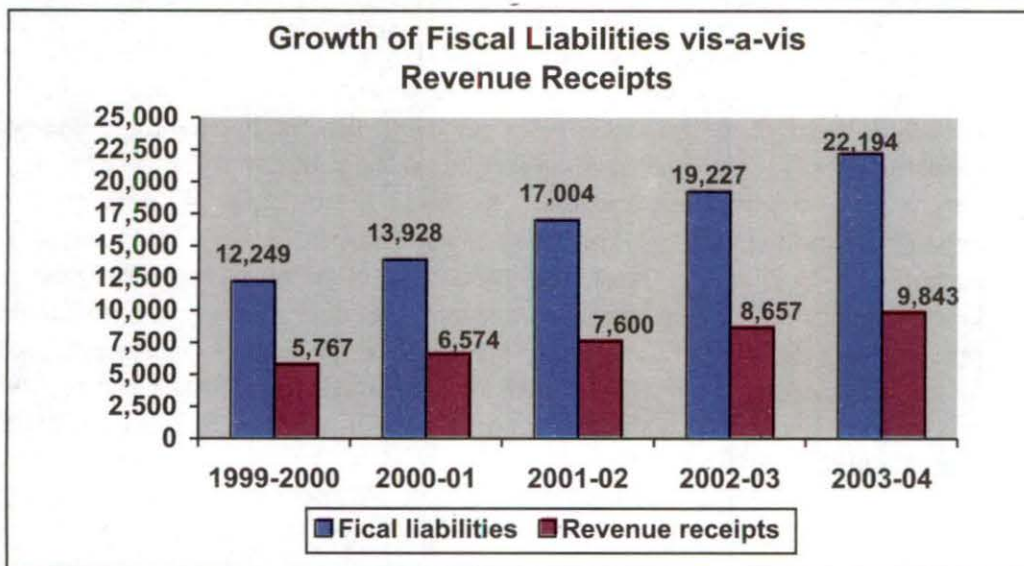
1.8.8 The Constitution of India provides that a State may borrow within the territory of India, upon the security of its consolidated fund, within such limits, as may from time to time, be fixed by an Act of Legislature. However, no such law was passed from the State to lay down any such limit. Statement 4, read with Statements 16 and 17 of Finance Accounts, shows the year-end balances under Debt, Deposit and Remittances heads from which the liabilities are worked out.

It would be observed that the over all fiscal liabilities of the State increased by 81 per cent from Rs 12,249 crore in 1999-2000 to Rs 22,194 crore in 2003-04. These liabilities as ratio to GSDP increased from 25 per cent in 1999-2000 to 30 per cent in 2003-04 and stood at 2.26 times of its revenue receipts and 2.59 times of its own resources comprised of its own tax and non-tax revenue. Table 21 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP revenue receipts and own resources and buoyancy of these liabilities with respect to these parameters.

Table 21: Fiscal Imbalances—Basic Parameters (Rupees in crore and Ratios in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Fiscal Liabilities	12,249	13,928	17,004	19,227	22,194
Rate of Growth	20.10	13.71	22.09	13.07	15.43
Ratio of Fiscal Liabilities to					
GSDP	25.0	25.3	28.2	29.2	30.4
Revenue Receipts	212.4	211.9	223.7	222.1	225.5
Own Resources	256.4	242.2	256.2	261.3	258.9
Buoyancy of Fiscal Liabilities to					
GSDP	1.667	1.091	2.358	1.399	1.422
Revenue Receipts	3.824	0.980	1.415	0.940	0.538
Own Resources	6.707	0.673	1.432	1.203	0.936

In addition to these liabilities, Government had guaranteed loans of its various Corporations and others, which as of 31 March 2004 stood at Rs 5,907 crore. The guarantees are in the nature of contingent liabilities of the State and in the event of non-payment of loans, there may be an obligation on the State to honour these commitments. Currently, the fiscal liabilities including the contingent liabilities were 2.85 times the revenue receipts of the State. The direct fiscal liabilities of the State have grown much faster as compared to its rate of growth of GSDP.



Increasing liabilities had raised the issue of sustainability of the finances of the State Government. Fiscal liabilities are considered sustainable if the weighted interest paid on these liabilities is lower than the rate of growth of GSDP.

Debt sustainability with reference to weighted interest rate, GDSP growth rate and interest spread is indicated in Table 22.

Table 22: Debt Sustainability – Interest Rate and GSDP Growth (in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Weighted Interest Rate	12.09	11.40	10.50	10.74	10.20
GSDP Growth	12.06	12.56	9.37	9.34	10.85
Interest spread	(-) 0.03	1.16	(-) 1.13	(-) 1.40	0.65

Another important indication of debt sustainability is net availability of the funds after payment of the principal on account of the earlier contracted liabilities and interest. Table 23 below gives the position of the receipts and repayments of internal debt over the last five years. The net funds available on account of the internal debt and loans and advances from Government of India after providing for the interest and repayments declined from 30 to 12 per cent during 1999-2004.

Table 23: Net Availability of Borrowed Funds (Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Internal Debt*					
Receipts	923	1,563	2,459	3,400	5,864
Repayments (Principal + Interest)	555	895	1,252	1,935	2,820
Net Funds Available	368	668	1,207	1,465	3,044
Net Funds Available (per cent)	40	43	49	43	52
Loans and Advances from Government of India					
Receipts	1,024	319	339	249	421
Repayments (Principal + Interest)	804	856	913	947	2,684
Net Funds Available	220	(-) 537	(-) 574	(-) 698	(-) 2,263
Net Funds Available (per cent)	21	(-) 168	(-) 169	(-) 280	(-) 538
Total Public Debt					
Receipts	1,947	1,882	2,798	3,649	6,285
Repayments (Principal + Interest)	1,359	1,751	2,165	2,882	5,504
Net Funds Available	588	131	633	767	781
Net Funds Available (per cent)	30	7	23	21	12

* Internal debt excluding ways and means advances.

The State Government raised market loans of Rs 1,165 crore during the year. The weighted average rate of market borrowings during the year was 6.14 *per cent* whereas the State Government raised Power Bonds of Rs 2,022.29 crore at the rate of 8.5 *per cent* also in the market. The State Government did not use the option of raising the market borrowings at competitive rates through auctions. As on 31 March 2004, 45 *per cent* of the existing market loans of the State Government carried an interest rate exceeding 10 *per cent*. Thus, the effective cost of borrowings on their past loans is much higher than the rate at which they are able to raise resources at present from the market. The maturity profile of the State Government market loans indicate that nearly one-fourth of the total market loans are repayable within next five years while remaining three-fourth loans are required to be repaid within 5 to 12 years.

1.9 Management of deficits

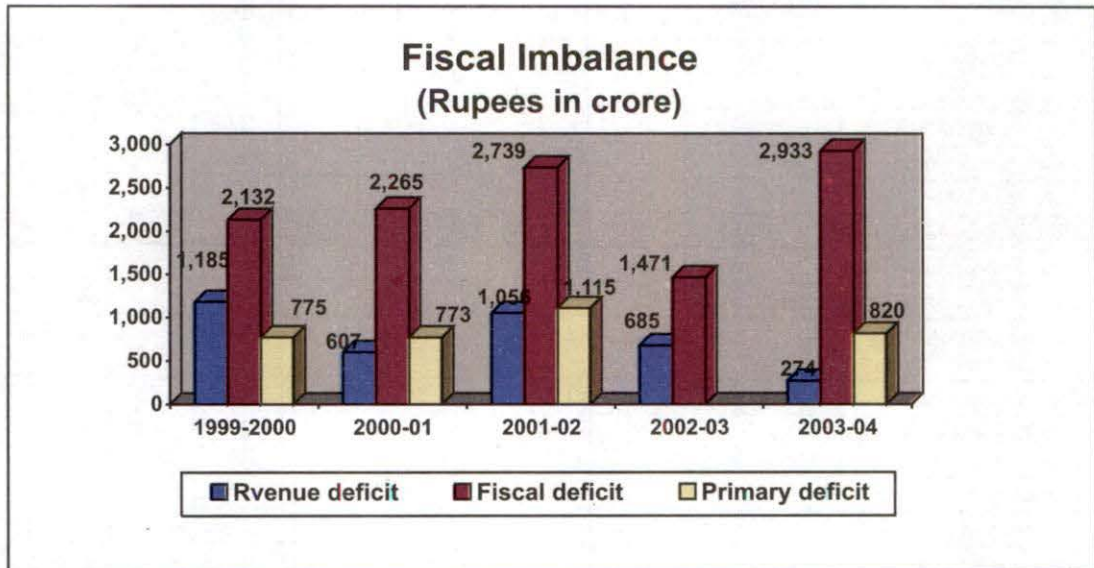
Fiscal imbalances

1.9.1 The deficits in Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to the fiscal health.

The revenue deficit (Statement 1 of Finance Account) of the State, which is the excess of its revenue expenditure over revenue receipts, decreased from Rs 1,185 crore in 1999-2000 to Rs 274 crore in 2003-04. However, the fiscal deficit, which represents the total borrowings of the Government and its total resource gap, increased from Rs 2,132 crore in 1999-2000 to Rs 2,933 crore in 2003-04. Primary deficit also increased from Rs 775 crore in 1999-2000 to Rs 820 crore in 2003-04 as indicated in Table 24.

Table 24: Fiscal Imbalances – Basic Parameters (Value: Rupees in crore and Ratios in *per cent*)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Revenue Deficit (RD)	(-) 1,185	(-) 607	(-) 1,056	(-) 685	(-) 274
Fiscal Deficit (FD)	(-) 2,132	(-) 2,265	(-) 2,739	(-) 1,471	(-) 2,933
Primary Deficit (PD) (-)/ Surplus (+)	(-) 775	(-) 773	(-) 1,115	475	(-) 820
RD/GSDP	(-) 2.42	(-) 1.10	(-) 1.75	(-) 1.04	(-) 0.38
FD/GSDP	(-) 4.36	(-) 4.11	(-) 4.55	(-) 2.23	(-) 4.02
PD/GSDP	(-) 1.58	(-) 1.40	(-) 1.85	0.72	(-) 1.12
RD/FD	55.58	26.80	38.55	46.57	9.34



Persistent revenue deficit indicated that the revenue receipts of the State were not able to meet its revenue expenditure because of poor tax administration as there were arrears of revenue to the tune of Rs 851 crore apart from incorrect budgeting of finances and Government had to borrow funds to meet its current obligations. The ratio of revenue deficit to fiscal deficit has decreased from 56 per cent in 1999-2000 to 9 per cent in 2003-04. As proportion to GSDP, revenue deficit had decreased to 0.38 per cent in 2003-04 and fiscal deficit to 4 per cent.

1.10 Fiscal ratios

1.10.1 The finances of a State should be sustainable, flexible and non-vulnerable. Table 25 below presents a summarised position of Government Finances over 1999-2004, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and capture its important facets.

The ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipts indicates the nature of the tax regime and the State's increasing access to resources with increase in GSDP. Revenue receipts are comprised not only of the tax and non-tax resources of the State but also the transfers from Union Government. These ratios showed a continuous improvement during 1999-2004 indicating mobilization of resources and its sustainability.

Various ratios concerning expenditure management of the State indicate the quality of its expenditure and sustainability of these in relation to its resources mobilization. The ratio of revenue expenditure and development expenditure to total expenditure declined from 85 and 60 in 1999-2000 to 78 and 47 in 2003-04 respectively. The decline in development expenditure is indicative of State's inadequate ability to sustain the servicing of borrowings and inadequate expansion of development activities.

Table 25: Ratios of Fiscal Efficiency (in per cent)

Fiscal Ratios	1999-2000	2000-01	2001-02	2002-03	2003-04
Resources Mobilization					
Revenue Receipts/GSDP	11.79	11.94	12.62	13.15	13.49
Revenue Buoyancy	0.436	1.114	1.666	1.489	1.263
Own Tax/GSDP	7.19	7.83	8.26	8.43	8.69
Expenditure Management					
Total Expenditure/GSDP	16.63	16.18	17.31	15.54	17.72
Revenue Receipts/ Total Expenditure	70.92	73.80	72.91	84.59	76.11
Revenue Expenditure/Total Expenditure	85.48	80.60	83.04	91.28	78.23
Capital Expenditure	10.99	16.22	14.07	4.26	2.98
Development Expenditure/Total Expenditure	60.44	61.34	62.89	56.01	46.56
Buoyancy of TE with RR	(-) 0.324	0.682	1.090	(-) 0.131	1.924
Buoyancy of RE with RR	(-) 0.182	0.235	1.316	0.570	0.606
Management of Fiscal Imbalances					
Revenue deficit (Rs in crore)	(-) 1,185	(-) 607	(-) 1,056	(-) 685	(-) 274
Fiscal deficit (Rs in crore)	(-) 2,132	(-) 2,265	(-) 2,739	(-) 1,471	(-) 2,933
Primary Deficit (Rs in crore)	(-) 775	(-) 773	(-) 1,115	475	(-) 820
Revenue Deficit/Fiscal Deficit	55.58	26.80	38.55	46.57	9.34
Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	25.0	25.3	28.2	29.2	30.4
Fiscal Liabilities/RR	212.4	211.9	223.7	222.1	225.5
Buoyancy of FL with RR	3.824	0.980	1.415	0.606	1.383
Buoyancy of FL with own resources	6.707	0.673	1.432	1.203	0.936
Interest Spread	(-) 0.03	1.16	(-) 1.13	(-) 1.40	0.65
Net Fund Available	30	7	23	21	12
Other Fiscal Health Indicators					
Return on Investment	7.78	1.81	0.40	1.73	4.11
BCR (Rs in crore)	(-) 717	(-) 6	(-) 213	(-) 70	326
Financial Assets/Liabilities	0.68	0.69	0.68	0.67	0.71

Government did well in reducing the revenue deficit by 60 per cent during the year. However, increasing fiscal deficit year after year coupled with mounting arrears of revenue and low investment returns questions the sustainability of the State's finances. This is because large amounts of revenue (72 per cent) were spent on interest payments, pension payments, subsidies and salaries and fresh borrowings were needed to sustain the current expenditure. Most of the borrowings (88 per cent) were spent on servicing and repayment of old borrowings leaving a little scope for infrastructure development. The interest liability is bound to increase and further reduce the availability of funds from borrowings for capital formation in years to come unless State Government strengthens the tax collection administration and invests the high cost borrowings more judiciously to broaden the tax base. Government should also consider the disinvestment of loss making companies to reduce its current liabilities.

STATEMENT-I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF
HARYANA

(Rupees in crore)

As on 31 March 2003	Liabilities		As on 31 March 2004
8,059.98		Internal Debt	12,191.45
	2,739.20	Market Loans bearing interest	3,825.04
	3.24	Market Loans not bearing interest	3.63
	35.04	Loans from LIC	31.81
	5,282.50	Loans from other Institutions, etc.	8,330.97
	-	Ways and Means Advances	-
5,331.74		Loans and Advances from Central Government	3,695.51
	110.52	Pre 1984-85 Loans	90.33
	2,675.81	Non-plan Loans	790.42
	2,499.22	Loans for State Plan Schemes	2,769.14
	26.74	Loans for Central Plan Schemes	24.83
	19.45	Loans for Centrally Sponsored Plan Schemes	20.79
10.00		Contingency Fund	10.00
4,661.92		Small Savings, Provident Funds, etc.	4,953.95
826.66		Deposits	1,041.60
436.31		Reserve Funds	559.11
-		Remittance Balances	-
-		Suspense and Miscellaneous Balances	100.47
19,326.61			22,552.09
As on 31 March 2003	Assets		As on 31 March 2004
10,948.37		Gross Capital Outlay	11,334.02
	3,067.25	Investments in shares of Companies, Corporations, etc.	1,689.51
	7,881.12	Other Capital Outlay	9,644.51
1,629.59		Loans and Advances	3,903.33
	300.15	Loans for Power Projects	2,391.24
	1,144.33	Other Development Loans	1,300.19
	185.11	Loans to Government Servants, etc.	211.90
0.67		Advances	0.69
7.39		Remittance Balances	8.00
363.25		Suspense and Miscellaneous Balances	-
33.48		Cash	684.36
	1.44	Cash in Treasuries and Local Remittances	0.01
	9.03	Departmental Balances	7.69
	0.09	Permanent Cash Imprest	0.09
	248.76	Cash Balance Investment and other Reserve Fund Investment	890.44
	(-)225.84	Deposits with Reserve Bank	(-)213.87
6,343.86		Deficit on Government Accounts	6,621.69
	685.11	(i) Revenue Deficit of the Current Year	273.71
	5,658.75	(ii) Accumulated deficit up to preceding year	6,343.86
	-	(iii) Miscellaneous Government Account	4.12
19,326.61		Total	22,552.09

⁵ Rs 10,664 only as on 31 March 2003.

**STATEMENT-II
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE
YEAR 2003-04**

(Rupees in crore)

Receipts			Disbursements					
2002-03			2002-04	2002-03			2002-04	
8,657.02	Section A : Revenue				I. Revenue Expenditure	Non-Plan	Plan	Total
	I. Revenue Receipts		9,843.48	9,342.13		8,992.84	1,124.35	10,117.19
5,549.68	Tax Revenue	6,348.05		3,995.32	General Services	4,338.48	29.24	4,367.72
1,807.85	Non-Tax Revenue	2,223.06		2,808.70	Social Services	2,287.34	708.37	2,995.71
756.59	State's share of Union Taxes and Duties	600.75		1,447.18	Education, Sports, Art and Culture	1,387.79	148.14	1,535.87
109.17	Non-Plan Grants	117.15		342.68	Health and Family Welfare	247.56	102.86	350.42
213.91	Grants for State Plan Schemes	337.71		366.55	Water Supply, Sanitation, Housing and Urban Development	373.60	47.34	420.94
219.82	Grants for Central Plan and Centrally Sponsored Plan Schemes	216.76		14.41	Information and Broadcasting	14.46	1.08	15.54
				45.08	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	20.80	24.64	45.44
				56.45	Labour and Labour Welfare	50.45	8.92	59.37
				533.39	Social Welfare and Nutrition	188.85	375.39	564.24
				2.96	Others	3.89	-	3.89
				2,532.48	Economic Services	2,319.31	386.74	2,706.05
				411.25	Agriculture and allied activities	310.38	112.37	422.75
				135.90	Rural Development	45.19	94.05	139.24
				474.56	Irrigation and Flood Control	336.47	80.35	416.82
				850.26	Energy	925.78	56.81	982.59
				37.04	Industry and Minerals	14.82	10.05	24.87
				592.50	Transport	672.29	11.00	683.29
				4.08	Science, Technology and Environment	0.43	6.75	7.18
				26.89	General Economic Services	13.95	15.36	29.31
				5.63	Grants-in-aid and Contributions	47.71	-	47.71
685.11	II. Revenue Deficit carried over to Section B	273.71	273.71					
9,342.13	Total Section A		10,117.19	9,342.13		8,992.84	1,124.35	10,117.19
155.87	Section B - Others				II. Capital Outlay	(-)668.00	1,053.65	385.65
	III. Opening Cash Balance including Permanent Advances and Cash Balance Investment		33.48	435.80	General Services		66.45	66.45
				45.36	Social Services		293.67	293.67
				214.28	Education, Sports, Art and Culture		4.81	4.81
				7.89	Health and Family Welfare		9.00	9.00
				8.42	Water Supply, Sanitation, Housing and Urban Development		269.85	269.85
				195.43	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		0.70	0.70
				0.70	Social Welfare and Nutrition		7.39	7.39
				1.06	Others		1.92	1.92
				0.84	Economic Services	(-)668.00	693.52	25.52
				176.16	Agriculture and allied activities	(-)668.54	(-) 6.45	(-) 674.99
				(-)405.22	Irrigation and Flood Control		224.16	224.16
				228.22	Energy		162.63	162.63
				134.23	Industry and Minerals		0.01	0.01
				0.48	Transport	0.54	309.67	310.21
				215.94	General Economic Services		3.50	3.50
				2.50				

Receipts			Disbursements				
2002-03			2003-04	2002-03			2003-04
106.30	IV. Recoveries of Loans and Advances		155.58	456.43	III. Loans and Advances Disbursed		2,429.32
-	From Power Projects	23.26		40.43	For Power Projects	2,114.35	
58.31	From Government Servants	64.26		94.99	To Government Servants	91.05	
47.99	From others	68.06		321.01	To others	223.92	
3,648.93	V. Public Debt Receipts		6,284.76	685.11	IV. Revenue Deficit brought down		273.71
3,399.76	Internal Debt other than Ways and Means Advances and Overdraft	5,864.17		1,932.28	V. Repayment of Public Debt		3,789.52
	Net transaction under Ways and Means Advances and Overdraft	7		1,095.97	Internal Debt other than Ways and Means Advances and Overdraft	1,732.70	
	Loans and Advances from Central Government	420.59		584.67 ⁶	Net transaction under Ways and Means Advances and Overdraft	7	
4,920.81	VI. Public Accounts Receipts		7,662.06	251.64	Repayment of Loans and Advances to Central Government	2,056.82	
1,000.85	Small Savings, Provident Fund, etc.	999.82		5,288.81	VI. Public Account Disbursements		6,573.32
135.09	Reserve Funds	176.97		645.99	Small Savings, Provident Fund, etc.	707.78	
2,141.42	Deposits and Advances	4,457.59		128.22	Reserve Funds	54.16	
(-)123.82	Suspense and Miscellaneous	193.76		2,025.72	Deposits and Advances	4,242.67	
1,767.27	Remittances	1,833.92		698.00	Suspense and Miscellaneous	(-) 265.83	
				1,790.88	Remittances	1,834.54	
				33.48	VII. Cash Balance at end		684.36
				1.44	Cash in Treasuries and Local Remittances	0.01	
				(-)225.84	Deposits with Reserve Bank	(-) 213.87	
				9.12	Departmental Cash Balance including Permanent Advances, etc.	7.78	
				248.76	Cash Balance Investment	890.44	
4,821.91	Total - Section B		14,135.88	4,821.91	Total		14,135.84

⁶ Represents receipts of Rs 811.39 crore and repayments of Rs 1,396.06 crore.
⁷ Represents receipt and repayment of Rs 238.98 crore each.

**STATEMENT-III
SOURCES AND APPLICATION OF FUNDS**

(Rupees in crore)

2002-03	Sources	2003-04
8,657.02	Revenue Receipts	9,843.48
106.30	Recoveries of Loans and Advances	155.58
1,716.65	Increase in Public debt	2,495.24
(-)368.00	Net Receipts from Public Account -	1,088.74
	354.86 Increase in Small Savings, Provident Funds, etc.	292.04
	115.70 Increase in Deposits and Advances	214.92
	6.87 Increase in Reserve funds	122.81
	(-) 821.82 Net effect of Suspense and Miscellaneous transactions	459.59
	(-) 23.61 Net effect of Remittance transactions	(-)0.62
122.39	Decrease in cash balance	
10,234.36	Total	13,583.04
2002-03	Application	2003-04
9,342.13	Revenue expenditure	10,117.19
456.43	Lending for development and other purposes	2,429.32
435.80	Capital expenditure	385.65
-	Increase in cash balance	650.88
10,234.36	Total	13,583.04

Explanatory Notes for Statements I, II and III:

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government accounts, as shown in Statement-I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement, etc.
4. There was a difference of Rs 2.10 crore (debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposits with Reserve Bank" (July 2004).

STATEMENT-IV
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Part A. Receipts					
1. Revenue Receipts	5,767	6,574	7,600	8,657	9,843
(i) Tax Revenue	3,518 (61)	4,311 (66)	4,971 (65)	5,550 (64)	6,348 (64)
Taxes on Sales, Trade, etc.	1,968 (56)	2,573 (60)	2,945 (59)	3,337 (60)	3,838 (61)
State Excise	765 (22)	841 (20)	875 (18)	879 (16)	923 (15)
Taxes on Vehicles	85 (2)	86 (2)	104 (2)	114 (2)	132 (2)
Stamps duty and Registration fees	310 (9)	419 (10)	488 (10)	541 (10)	696 (11)
Land Revenue	4	12	19	10	20
Taxes on goods and passengers	324 (9)	367 (8)	499 (10)	653 (12)	660 (10)
Taxes and duties on Electricity	46 (1)	1 (-)	29 (1)	1	59 (1)
Other Taxes	16 (1)	12 (-)	12	15	20
(ii) Non-Tax Revenue	1,259 (22)	1,439 (22)	1,666 (22)	1,808 (21)	2,223 (23)
(iii) State's share in Union taxes and duties	525 (9)	346 (5)	450 (6)	756 (9)	601 (6)
(iv) Grants-in-aid from Government of India	465 (8)	478 (7)	513 (7)	543 (6)	671 (7)
2. Misc. Capital Receipts	-	-	-	-	-
3. Total Revenue and Non debt capital receipt (1+2)	5,767	6,574	7,600	8,657	9,843
4. Recoveries of Loans and Advances	233	69	85	106	156
5. Public Debt Receipts	2,038	1,882	3,359	3,649	6,285
Internal Debt (excluding Ways & Means Advances and Overdrafts)	923 (45)	1,563 (83)	2,459 (73)	3,400 (93)	5,864 (93)
Net transactions under Ways and Means Advances and Overdraft	91 (5)	-	561 (17)	-	-
Loans and Advances from Government of India ⁸	1,024 (50)	319 (17)	339 (10)	249 (7)	421 (7)
6. Total Receipts in the Consolidated Fund (3+4+5)	8,038	8,525	11,044	12,412	16,284
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts receipts	3,789	4,478	4,914	4,921	7,662
9. Total receipts of the State (6+7+8)	11,827	13,003	15,958	17,303	23,946
Part B. Expenditure					
10. Revenue Expenditure	6,952	7,181	8,656	9,342	10,117
Plan	901 (13)	992 (14)	1,197 (14)	1,049 (11)	1,124 (11)
Non-plan	6,051 (87)	6,189 (86)	7,459 (86)	8,293 (89)	8,993 (89)
General Services (including Interests payments)	2,903 (42)	3,117 (43)	3,486 (40)	3,995 (43)	4,368 (43)
Economic Services	1,791 (26)	1,543 (22)	2,415 (28)	2,532 (27)	2,706 (27)
Social Services	2,257 (32)	2,506 (35)	2,725 (32)	2,809 (30)	2,995 (30)
Grants-in-aid and contributions	1	15	30	6	48
11. Capital Expenditure	894	1,445	1,467	436	386
Plan	886 (99)	914 (63)	902 (61)	846 (194)	1,054 (273)
Non-plan	8 (1)	531 (37)	565 (39)	(-410 (-)94)	(-668 (-)173)
General Services	27 (3)	30 (2)	51 (3)	45 (10)	66 (17)
Economic Services	702 (79)	1,272 (88)	1,225 (84)	176 (41)	26 (7)
Social Services	165 (18)	143 (10)	191 (13)	215 (49)	294 (76)
12. Disbursement of Loans and Advances	286	282	301	456	2429
13. Total (10+11+12)	8,132	8,908	10,424	10,234	12,932
14. Repayments of Public Debt	543	757	961	1,932	3,790
Internal Debt (excluding Ways and Means Advances and Overdrafts)	377 (69)	479 (63)	737 (77)	1,096 (57)	1,733 (46)
Net transactions under Ways and Means Advances and Overdraft	-	86 (11)	-	585 (30)	-
Loans and Advances from Government of India	166 (31)	192 (26)	224 (23)	251 (13)	2,057 (54)
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	8,675	9,665	11,385	12,166	16,722
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Accounts disbursements	3,095	3,480	4,243	5,289	6,573
19. Total disbursement by the State (16+17+18)	11,770	13,145	15,628	17,425	23,295
Part C. Deficits					
20. Revenue Deficit (1-10)	(-1,185)	(-607)	(-1,056)	(-685)	(-274)
21. Fiscal Deficit (3+4-13)	(-2,132)	(-2,265)	(-2,739)	(-1,471)	(-2,933)
22. Primary Deficit (-)/surplus (+) (21-23)	(-775)	(-773)	(-1,115)	(+475)	(-820)
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	1,357	1,492	1,624	1,946	2,113
24. Arrears of Revenue (Percentage of Tax & non-tax Revenue Receipts)	312 (7)	396 (7)	516 (8)	577 (8)	851 (6)
25. Financial Assistance to local bodies etc.	411	512	668	608	727
26. Ways and Means Advances (WMA) Overdraft availed (days)	245	281	299	71	27
27. Interest on WMA/Overdraft	3.66	4.38	7.15	3.83	0.26
28. Gross State Domestic Product (GSDP)⁹	48,910	55,055	60,212	65,837	72,980
29. Outstanding Debt (year end)	12,249	13,928	17,004	19,227	22,194
30. Outstanding guarantees including interest (year end)	4,316	8,209	8,606	7,690	5,907
31. Maximum amount guaranteed (year end)	7,219	12,025	12,222	12,461	9,457
32. Number of incomplete projects	6	6	3	6	5
33. Capital blocked in incomplete projects	8.82	8.82	2.50	9.50	35.25

Note: Figures in brackets represent percentages (rounded) to total of each sub heading.

⁸ Includes Ways and Means Advances from GOI.

⁹ Source of GSDP: Revised figures adopted as per Economic Survey of Haryana for 2003-04 conducted by Economic and Statistical Organisation, Haryana. GSDP for 2003-04 has been worked out by taking the average growth rate of 10.85 per cent on the basis of growth during 1999-2000 to 2002-03.

CHAPTER-II

APPROPRIATION AND CONTROL OVER EXPENDITURE

CHAPTER - II

APPROPRIATION AND CONTROL OVER EXPENDITURE

APPROPRIATION ACCOUNTS 2003-04 AT A GLANCE

Introduction

2.1 The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by the Government vis-à-vis those authorised by the Appropriation Act in respect of both charged as well as voted items of the budget.

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants was within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution was so charged. It also ascertains whether the expenditure so incurred was in conformity with the law, relevant rules, regulations and instructions.

Summary of Appropriation Accounts

2.1.1 The summarised position of actual expenditure during 2003-04 against 26 grants/appropriations was as follows:

Nature of expenditure		Original grants/ appropriations	Supplementary grants/ appropriations	Total	Actual expenditure	Saving(-)/ Excess(+)
(Rupees in crore)						
Voted	I. Revenue	8,541.04	192.83	8,733.87	8,124.69	(-) 609.18
	II. Capital	2,402.61	2.41	2,405.02	2,212.81	(-) 192.21
	III. Loans and Advances	229.22	110.00	339.22	2,429.82	(+) 2,090.60
Total Voted		11,172.87	305.24	11,478.11	12,767.32	(+) 1,289.21
Charged	IV. Revenue	2,261.88	0.63	2,262.51	2,157.65	(-) 104.86
	V. Capital	5.50	2.50	8.00	7.33	(-) 0.67
	VI. Public Debt	3,789.30	552.32	4,341.62	4,028.50	(-) 313.12
Total Charged		6,056.68	555.45	6,612.13	6,193.48	(-) 418.65
Grand Total		17,229.55	860.69	18,090.24	18,960.80	(+) 870.56

The resultant saving of Rs 609.18 crore under the revenue account (voted) was mainly due to savings of Rs 914.29 crore in 278 schemes and excess expenditure of Rs 279.59 crore in 105 schemes. Similarly, resultant excess under capital account was due to excess of Rs 2,471.28 crore in 30 schemes and saving of Rs 569.48 crore in 67 schemes.

The following further points emerge:

- Genuineness of expenditure of Rs 4.35 crore drawn on 390 Abstract Contingent (AC) bills during 2002-03 (one AC bill for Rs 0.01 crore) and 2003-04 (389 AC bills for Rs 4.34 crore) could not be vouchsafed as Detailed Contingent bills were not submitted (August 2004).
- Similarly, Rs 1.08 crore drawn on 155 vouchers could not be vouchsafed, as the vouchers in support of amounts drawn were not submitted.

Excesses and savings

Excess expenditure over provisions of previous years requiring regularisation

2.1.2 As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to Rs 172.59 crore for the year 2002-03 is yet to be regularised (August 2004).

Year	Number of Grants/ Appropriations	Grant/ Appropriation No. (s)	Amount of excess	Amount for which explanations not furnished to PAC
			(Rupees in crore)	
2002-03	5	1,6,10,15 and 25	172.59	172.59
		Total	172.59	172.59

If explanations of un-regularised excess expenditure are not furnished by the department promptly, there is possibility of financial irregularities remaining un-examined.

Excess expenditure over provisions of 2003-04 requiring regularisation

2.1.3 The excess of Rs 0.17 crore involving two grants under revenue account and Rs 2,227.46 crore under capital account in respect of six grants/appropriations required regularisation under Article 205 of the Constitution. Details are given below:

Sr. No	Number and name of grants/ appropriations	Total grants/ appropriations	Actual expenditure	Excess
	(In Rupees)			
	Revenue (Voted)			
1	1-Vidhan Sabha	9,63,04,000	9,74,98,000	11,94,000
	Revenue (Charged)			
2	1-Vidhan Sabha	18,60,000	23,23,000	4,63,000
	Total	9,81,64,000	9,98,21,000	16,57,000
	Capital (Voted)			
3	4-Revenue	15,00,00,000	32,55,76,000	17,55,76,000
4	7-Other Administrative Services	3,00,000	19,80,000	16,80,000
5	10-Medical and Public Health	2,25,22,40,000	2,64,78,20,000	39,55,80,000
6	15-Irrigation	2,69,67,10,000	3,48,04,35,000	78,37,25,000
7	25-Loans and Advances by State Government	3,39,21,76,000	24,29,82,58,000	20,90,60,82,000
	Capital (Charged)			
8	15-Irrigation	5,00,00,000	6,19,33,000	1,19,33,000
	Total	8,54,14,26,000	30,81,60,02,000	22,27,45,76,000

Government did not furnish reasons for excess expenditure (August 2004).

Original budget and supplementary provisions

2.1.4 The overall excess of Rs 870.56 crore was the net result of excess of Rs 2,227.63 crore (8 cases) of 6 grants/appropriations offset by saving of Rs 1,357.07 crore in 45 cases of 24 grants/appropriations. Excesses were mainly under 25-Loans and Advances by State Government-6801-Loans for Power Projects-205-Transmission and Distribution-93-Loans from NABARD for Power Projects and 6851-Loans for Village and Small Industries-102-Small Scale Industries-99-Interest free Loans in lieu of deferred sales tax (Rs 2,090.61 crore), 15-Irrigation-4701-Capital Outlay on Major and Medium Irrigation (Rs 78.37 crore) and 10-Medical and Public Health-4215-Capital Outlay on Water Supply and Sanitation (Rs 39.56 crore). The excess expenditure under the head 6801-Loans for Power Projects was mainly due to providing more loans and advances by Rs 2,091 crore to Haryana Vidyut Prasaran Nigam Limited for transmission and distribution of electricity.

Supplementary provisions made during the year constituted five *per cent* of the original provision as against 2.51 *per cent* in the previous year.

Excessive/unnecessary/inadequate supplementary provisions

2.1.5 Supplementary provisions of Rs 30.19 crore in four cases proved unnecessary as the expenditure in each case was less than the original provision as detailed below:

Sr. No.	Number and name of grant	Original grant	Supplementary provision	Total	Expenditure	Saving
(Rupees in crore)						
	Revenue (Voted)					
1.	3-Home	587.14	21.79	608.93	579.96	28.97
2.	5-Excise and Taxation	48.41	1.09	49.50	45.89	3.61
3.	9-Education	1,815.36	5.00	1,820.36	1,535.87	284.49
4.	16-Industries	37.10	2.31	39.41	35.84	3.57
	Total	2,488.01	30.19	2,518.20	2,197.56	320.64

2.1.6 In seven cases, against additional requirement of Rs 385.24 crore, supplementary provisions of Rs 713.75 crore were obtained resulting in savings, in each case exceeding Rs 50 lakh, aggregating Rs 328.51 crore.

Details of these cases are given below:

Sr. No.	Number and name of grants/appropriations	Original grants/appropriations	Supplementary provision	Total	Expenditure	Saving
(Rupees in crore)						
Revenue (Voted)						
1.	2-General Administration	121.07	4.03	125.10	123.74	1.36
2.	7-Other Administrative Services	514.59	77.32	591.91	591.05	0.86
3.	11-Urban Development	56.20	5.02	61.22	57.46	3.76
4.	14-Food and Supplies	25.77	1.83	27.60	25.83	1.77
5.	21-Community Development	153.79	37.26	191.05	183.92	7.13
6.	23-Transport	530.04	35.97	566.01	565.50	0.51
Capital (Charged)						
7.	Public Debt	3,789.30	552.32	4,341.62	4,028.50	313.12
	Total	5,190.76	713.75	4,341.62	5,576.00	328.51

Substantial excesses/savings

2.1.7 In 24 cases, expenditure exceeded the original provisions by Rupees five crore or more and also by more than 10 per cent of the original provision indicating inadequate budgeting. Details of these are given in *Appendix IX*.

2.1.8 In 31 cases, expenditure fell short by more than Rs 10 crore in each case and also by more than 10 per cent of the original provision as indicated in *Appendix X*. In seven cases¹, the entire provision totalling Rs 119.03 crore remained unutilised.

Persistent savings

2.1.9 In two cases, there were persistent savings of Rs 10 lakh and more and 10 per cent or more of the provisions in the last three years. Details are given below:

Sr. No.	Number and name of grants/appropriations	Percentage of saving to total provision (amount of savings - Rupees in crore)		
		2001-02	2002-03	2003-04
Revenue (Voted)				
1.	18-Animal Husbandry	22 (27.39)	22 (30.28)	24 (33.21)
Capital (Voted)				
2.	8-Buildings and Roads	14 (47.99)	36 (138.67)	10 (39.22)

Persistent savings indicated that budgeting was based on inappropriate assumptions.

1 S. No. 13, 16, 24, 25, 28, 29 and 31 of *Appendix X*.

Entire savings surrendered only on the last day of the year

2.1.10 According to rules, the spending departments are required to surrender the grants/appropriations or portion thereof as and when the savings are anticipated and latest by 1 December every year by the respective administrative department to the Finance Department.

However, against the total savings of Rs 1,357.07 crore (45 cases), Rs 1,007.54 crore (42 cases) were surrendered on the last day of financial year viz., 31 March 2004. In five cases, against the available savings of Rs 512.69 crore, savings aggregating Rs 134.57 crore (savings of more than Rs one crore in each case) were not surrendered as detailed below:

Sr. No.	Name of the grants/ appropriations	Saving	Surrender	Saving remained un-surrendered
(Rupees in crore)				
	Revenue (Voted)			
1.	9-Education	284.48	239.18	45.30
2.	13-Social Welfare and Rehabilitation	25.54	24.26	1.28
3.	15-Irrigation	41.29	17.83	23.46
4.	17-Agriculture	60.22	57.73	2.49
	Revenue (Charged)			
5.	6-Finance	101.16	39.12	62.04
	Total	512.69	378.12	134.57

Though such failures had been pointed out in earlier Audit Reports, the deficiencies/shortcomings, etc. continue to persist year after year. This indicated that expenditure control mechanism and State level budgetary control process were ineffective.

Injudicious surrender of funds

2.1.11 In 10 cases, the amount surrendered was in excess of the available savings, which indicate ineffective/inefficient budgetary control. Against the actual available savings of Rs 31.82 crore, the amount surrendered was Rs 281.11 crore resulting in excess surrender of Rs 249.29 crore. Details are given in *Appendix XI*.

In three cases, Rs 42.23² crore were surrendered despite excess expenditure of Rs 118.10 crore. This indicated inadequacy in the financial and budgetary control practices in the departments.

Injudicious re-appropriation of funds

2.1.12 Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Cases where injudicious re-appropriation of funds resulted in excess/savings by over Rs 50 lakh in each case, are as given in *Appendix XII*.

² Item no. 7,9 and 10 of *Appendix XI*.

Expenditure without provision

2.1.13 As envisaged in the Budget Manual, expenditure should not be incurred on any scheme/service without provision of funds therefor. It was noticed, however, that expenditure of Rs 32.95 crore was incurred in 14 cases, as detailed in *Appendix XIII*, without provision in the original estimates/supplementary demands and no re-appropriation orders were issued.

Trend of recoveries

2.1.14 Under the system of gross budgeting followed by the Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries; these are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

In three grants³, the actual recoveries adjusted in reduction of expenditure (Rs 1,819.08 crore) exceeded the estimated recoveries (Rs 1,293.07 crore) by Rs 526.01 crore. Though no recoveries were provided in the budget estimates in three grants⁴ for the year 2003-04, recoveries of Rs 118.51 crore were made. Despite having been pointed out in earlier Audit Reports, such recoveries without budget estimates persist year after year. However, in respect of three grants⁵, the actual recoveries (Rs 17.16 crore) were less than the estimated recoveries (Rs 44.75 crore) by Rs 27.59 crore. Details of recoveries are given in Appendix of the Appropriation Accounts.

Excesses/savings without explanation

2.1.15 After the close of the accounts of the each financial year, the detailed Appropriation Accounts showing the final grants/appropriations, the actual expenditure and resultant variations are sent to the Controlling Officers, requiring them to explain the variations in general and those under important heads/sub-heads in particular.

Explanations for excesses (81 heads/sub-heads-44 *per cent*)/savings (102 heads/sub-heads-56 *per cent*) in respect of the Appropriation Accounts for the year 2003-04 were not received in respect of 183 heads/sub-heads (28 *per cent*) against the total 645 heads/sub-heads of accounts.

3 10-Medical and Public Health (Revenue), 14-Food and Supplies (Revenue and Capital) and 22 Co-operation (Capital).

4 15-Irrigation, 16-Industries and 17-Agriculture.

5 4-Revenue, 8-Buildings and Roads and 25-Loans and Advances by State Government.

CHAPTER-III

PERFORMANCE APPRAISALS

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CHAPTER III

PERFORMANCE APPRAISALS

AUDIT REVIEWS

Animal Husbandry and Dairying Department

3.1 Working of the Animal Husbandry and Dairying Department including Manpower Management

Highlights

Animal Husbandry and Dairying Department aimed at genetic improvement of milch animals, keeping them disease free, providing balanced feed/fodder and improving dairying profession for self-employment of unemployed youth. Audit observed deficient programme management and inadequate monitoring of the schemes/projects by department. Budget proposals were unrealistic. Livestock Breeding Programme and Cows and Buffaloes Development Programme were not implemented effectively as there were considerable shortfalls in artificial insemination of buffaloes; conception age and mortality among calves had increased while the milk production had declined. Of the 11 gas plants, meant for producing Liquid Nitrogen gas, required for preserving frozen semen, eight had outlived their lives and three were out of order for want of repairs. Internal audit was ineffective, as it had covered only five out of 93 offices during 2003-04. Even for these, the inspection reports were still at the processing stage.

Against a budget provision of Rs 399.47 crore, Rs 308.46 crore were spent during 2001-04.

(Paragraph 3.1.5)

Shortfall in targets in artificial insemination of buffaloes ranged between 12 and 30 per cent during 2001-04. In a large number of Veterinary Institutes in Ambala, Bhiwani, Karnal and Rohtak districts, essential equipment such as microscopes, temperature kits, etc. were not provided.

(Paragraph 3.1.13)

Adequate feed to female calves was not provided. Against the requirement of 174.21 quintals, in two districts, only 65.24 quintals feed was provided under Special Livestock Breeding Programme.

(Paragraph 3.1.9)

At Government Livestock Farm, Hisar, fodder and feed were not provided to the cattle in adequate quantity. Milk production decreased by 23 per cent during 2001-04. Decrease in per acre production as well as in cultivable area in farm during 2001-04 resulted in loss of Rs 2.91 crore.

(Paragraph 3.1.17, 3.1.18 and 3.1.19)

All the eleven liquid Nitrogen Gas Plants in the State were non-functional either for want of repair or because the plants had outlived their lives.

(Paragraph 3.1.15)

Rupees 30.79 lakh spent during 1995-2004 on the salary of veterinary surgeons deployed for the production of vaccines for swine fever, renikhet and fowl pox were rendered unfruitful as no vaccine was produced.

(Paragraph 3.1.11)

Internal audit was not effective. Lack of monitoring resulted in ineffective implementation of programmes/schemes.

(Paragraph 3.1.25 and 3.1.26)

Introduction

3.1.1 The Department of Animal Husbandry and Dairying of the Government of Haryana is the administrative department for implementing the policies and programmes relating to animals in the State. Dairy Development Department, which was responsible for providing self-employment opportunities through establishment of dairy units, was merged with Animal Husbandry Department from May 2003. The department aims at genetic improvement of milch animals and keeping them disease free, providing improved and balanced feed/fodder, improving the dairying profession and providing self-employment to unemployed youth for improving the living standards of rural masses by supplementing their income.

Besides, the State Government set up Haryana Livestock Development Board (HLDB) in January 2000 for boosting livestock breeding programmes which included mainly development of cattle and buffaloes, production and distribution of semen straws for artificial insemination (AI) in cows/buffaloes, production and sale of feed, fodder, seeds, etc.

According to the 1997 census, the livestock population in the State was 20.618 million. The State Government fixed the target of enhancing production level upto 58.03 lakh metric tonne of milk, 15,890 lakh eggs and 28.58 lakh kilograms of wool by the end of the Tenth five year plan i.e. 2006-07, against which the levels attained at the end of 2002-03 were milk: 51.36 lakh mt, eggs: 12,507 lakh numbers and wool: 24.88 lakh kgs.

For the Ninth and Tenth five year plans, out of total approved outlays of Rs 11,600 crore and Rs 12,000 crore for the State, Animal Husbandry department was allocated only Rs 56 crore (0.48 per cent) and Rs 114 crore (0.95 per cent) respectively.

Organizational set up

3.1.2 The Financial Commissioner and Principal Secretary is the administrative head of the department at Government level and is responsible for implementation of the Government policies relating to programmes/schemes of the Animal Husbandry and Dairying Department. The Director is the Head of the Department and also the Controlling Officer who is assisted by five Joint Directors, five Deputy Directors and Gaushala Development Officer at Headquarters located at Panchkula. In the field, there are 19 Deputy Directors at district level, six Assistant Directors and 35 Sub-divisional Officers (SDOs).

As of March 2004, there were 2,421 Veterinary Institutions (Civil Veterinary Hospitals: 164; Hospital-cum-Breeding Centres: 456; Regional Artificial Insemination Centres: 60; Civil Veterinary Dispensaries: 864; Stockmen¹ Centres: 749 and others: 128) in the State.

Audit objectives, methodology and performance indicators

3.1.3 For reviewing the working of Animal Husbandry and Dairying Department, the technique of integrated audit was adopted. This technique seeks to integrate and interpret disintegrated information along policy and functional lines.

The departments of Government do not prescribe performance indicators for self-appraisal. Invariably, schemes, programmes and activities get evaluated in a disaggregated manner by either the planning bodies or funding agencies depending on the emerging priorities at a particular time. The department did not prescribe any tangible indicators for the purpose of evaluating the extent to which genetic improvement in milch animals was brought about in the State as a result of implementation of the AI Programme.

Audit adopted the following performance indicators for evaluating the working of Animal Husbandry and Dairying Department:

- Improvement in Veterinary Services and consequent Animal Health;
- Achievement in areas of artificial insemination, milk yield, mortality among calves, etc. under Cattle and Buffalo Development Programme;

¹ Stockmen Centres: The primary unit for delivery of medical, health and breeding services for animals.

- Improvement in Poultry and Piggery Development;
- Increase in production of Fodder and Feed including production of fodder seeds; and
- Opportunities of self-employment provided to educated young men and women of rural areas through dairy development activities.

Audit coverage

3.1.4 Records relating to the working of the department for the years 2001-04 were test checked between January and April 2004 in the offices of the Director, Animal Husbandry and Dairying Department at Panchkula and six² (out of 19) districts covering 40 (out of 93) Drawing and Disbursing Officers (DDOs) in the department.

Selection of districts was made to cover all the four Commissionerates in the State. Of the total expenditure of Rs 296.10 crore and Rs 12.36 crore incurred on 94 schemes under Plan and non-plan of Animal Husbandry and 11 schemes under Plan and non-plan of Dairy Development during 2001-04, Rs 160.09 crore (54 *per cent*) and Rs 4.69 crore (38 *per cent*) respectively were spent in these six selected districts.

Financial management and budgetary procedure

3.1.5 The Director of Animal Husbandry and Dairying, who was the head of department, was assisted by 93 Drawing and Disbursing Officers (DDOs). Budget proposals for major, minor works and schedule of new expenditure were scrutinized by the Principal Secretary, Animal Husbandry and Dairying Department and sent to the Finance Department (FD) whereas the remainder of the budget was generally sent to the FD directly by the Head of the Department.

Audit observed that the information regarding actual expenditure incurred during previous two years and first six months of the current year were not being included in the annual budget proposals forwarded to Finance Department as required. Finance Department did not enforce compliance of the requirement of furnishing such information by the department. Details of

²

Ambala, Bhiwani, Hisar, Karnal, Mohindergarh at Narnaul and Rohtak.

budget provision and actual expenditure during 2001-2004 were as under:

Animal Husbandry						
Year	Department's budget proposal	Budget provision		Expenditure	Variation in relation to original budget Saving (-) Excess (+)	Percentage variation
		Original	Final			
(Rupees in crore)						
2001-02	192.70	114.95	95.47	90.28	(-) 24.67	21
2002-03	141.88	129.31	101.44	100.77	(-) 28.54	22
2003-04	160.77	134.94	105.47	105.05	(-) 29.89	22
Total	495.35	379.20	302.38	296.10	(-) 83.10	
Dairy Development						
2001-02	9.21	7.62	4.86	4.86	(-) 2.76	36
2002-03	8.68	6.41	4.16	4.61	(-) 1.80	28
2003-04	6.77	6.24	2.93	2.89	(-) 3.35	54
Total	24.66	20.27	11.95	12.36	(-) 7.91	
Grand Total	520.01	399.47	314.33	308.46		

The budget proposals for the years 2001-04 were of the order of Rs 520.01 crore, which were inflated mainly because the department included provision even for vacant posts. The State Government, however, disallowed the provision for vacant posts and approved provision of Rs 399.47 crore in the original budget. Thus, the basis of framing estimates was not realistic.

Actual expenditure was still lower i.e. Rs 308.46 crore mainly because Government of India (GOI), under 11 Centrally sponsored schemes and the State Government under 12 schemes, did not release funds aggregating Rs 91.76 crore though provision for the same was made in the annual budgets during 2001-04 as brought out in *Appendix XIV*.

No amount was spent on infrastructure development by the department during 2001-04. Of the total revenue expenditure of Rs 296.10 crore under Animal Husbandry during 2001-04, expenditure on establishment was Rs 259.57 crore (88 per cent) and on stores, etc. Rs 36.53 crore (12 per cent). Under Dairy Development, of the total expenditure of Rs 12.36 crore during 2001-04, expenditure on establishment was Rs 8.73 crore (71 per cent) and on subsidy, etc. Rs 3.63 crore (29 per cent). Scrutiny of records revealed rush of expenditure in March, unjustified release of grant to Haryana Livestock Development Board (HLDB) and loss of interest on irregular retention of unspent grants as discussed below:

Rush of expenditure in March

3.1.6 Heavy rush of expenditure in the month of March was noticed under 'Office Contingency' in respect of 6 to 23 plan and non-plan

schemes as detailed below:

Year	Number of schemes	Total expenditure during the year	Expenditure in March	Percentage of col. (4) to (3)	Range of Scheme-wise percentage of expenditure in March
(Rs in lakh)					
(1)	(2)	(3)	(4)	(5)	(6)
2001-02	11	58.64	51.60	88	73 to 100
2002-03	6	179.84	121.99	68	63 to 100
2003-04	23	661.24	578.14	87	26 to 100
Total		899.72	751.73	84	26 to 100

Substantial funds were drawn at the fag end of financial years, which remained unspent in the year of their drawal and were carried over to subsequent financial years in contravention of financial rules. This had adversely affected the implementation of schemes/programmes. The Department stated (August 2004) that funds were released mostly in the last quarter of the year by the Government; also, the purchase procedure through Director, Supplies and Disposal took three to six months. This was endorsed by Government in the reply (September 2004).

Unjustified release of grants to Haryana Livestock Development Board

Release of Rs four crore to HLDB was not justified as HLDB had enough funds of their own

3.1.7 To promote breeding and development of livestock in Haryana, the State Government transferred all the assets available with Government Livestock Farms (GLF), liquid nitrogen gas plants and all receipts from sale of frozen semen, milk, grains, etc. to Haryana Livestock Development Board (HLDB). The Government also decided to continue to allocate funds to the HLDB till the latter became self-sustaining by generating its own resources by proper management of its assets, providing consultancy and marketing of its products. Though there was no demand from the department/HLDB for the funds, the Finance Department sanctioned and allocated (May 2002) Rs 7.54 crore under the scheme for establishment of HLDB. After the release of sanction/allocation by the Finance Department, a proposal was moved (July 2002) by HLDB to the Government (through the department) for release of entire funds for repair/renovation of existing infrastructure (Rs two crore), salary of staff (Rs 3.54 crore) and incentive and insurance for top quality Murrah buffaloes (Rs two crore). Against this sanction, Director, Animal Husbandry had drawn Rs four crore in January 2003 and disbursed the same to HLDB. Scrutiny of Balance Sheets of HLDB revealed that the financial position of HLDB was strong, as it had sufficient net current assets of Rs 10.67 crore and Rs 17.96 crore at the end of 31 March 2002 and 31 March 2003 respectively, mainly in form of deposits and investments. Further, the State Government had already entrusted all the revenue generating schemes/activities such as collection of AI fee, cess on milk, sale of milk and frozen semen, etc. to HLDB. Thus the State Government released the grant injudiciously without considering the financial position of HLDB.

Loss of interest on irregular retention of unspent grants

Irregular retention of funds led to loss of interest

3.1.8 Financial Rules prescribe that any portion of the grant, which was not ultimately required for expenditure upon objects/schemes specified in the sanction, should be duly surrendered to sanctioning department/authority. Test-check of records of the Deputy Director, Animal Husbandry and

Dairying, Hisar, revealed that the Department released grants-in-aid to the tune of Rs 14.45 crore during 1998-2002 to Haryana Agriculture University (HAU), Hisar for meeting the expenditure on salary of staff deployed for scheme "Veterinary Education and Training". Rs 1.20 crore, Rs 55.64 lakh and Rs 69.84 lakh remained unspent at the end of March 2000, 2001 and 2002 respectively and were lying unutilized with HAU. HAU neither surrendered unspent grants before the end of each financial year nor informed the department to deduct the same from future release of grants. On this being pointed out in audit, the HAU refunded (September 2003) Rs 69.84 lakh to the department. The irregular retention of unspent grant by HAU resulted in loss of interest of Rs 28.46 lakh (calculated at borrowing rates of 12 and 7 per cent per annum) to the Government for the period from April 2000 to September 2003.

Programme management

For achievement of objectives of genetic improvement of milch animals, provision of feed /fodder, improvement in dairy profession and increase in milk production, various schemes were operated by the department. These sought to improve the delivery of veterinary services and included Special Livestock Breeding Programme, Cattle and Buffalo Development Programme and State Cattle Breeding Project. A review of these schemes and programmes revealed deficiencies in implementation such as delay in identification of female calves and release of inadequate feed, non-supply of superior quality pigs to pig breeders, unfruitful expenditure on salary of Veterinary Surgeons, less utilisation of Central assistance for sheep and wool development, non-achievement of targets of artificial inseminations (AIs) done in buffaloes, non-functioning of Liquid Nitrogen Gas Plants, non-implementation of Embryo Transfer Technology Programme, decrease in milk production and inadequate feeding of the herd at Government Livestock Farm, Hisar, shortfall in production of fodder and seed at Government Livestock Farm, Hisar, non-achievement of targets of dairy development activities and non-achievement of objectives of Equine Production Centre. These are discussed below:

Delay in identification of female calves and release of inadequate feed subsidy under Special Livestock Breeding Programme

3.1.9 "Special Livestock Breeding Programme" (SLBP) was in operation in 13 districts of the State. The programme was aimed at improving animal health and increasing milk yield. The programme envisaged feed subsidy in kind to small/marginal farmers and to agricultural labourers at 50 and 67 per cent respectively of requirement for female calves upto the age of 32 months. A scrutiny of records of 3 (out of 13) districts (Ambala, Hisar and Karnal) revealed that of the 89 female calves identified in 2 districts, 68 calves (Hisar: 23; Karnal: 45) were not identified before attaining the age of 4 months as was

required and the delay ranged between 4 and 15 months. Due to delay in identification, the subsidy for feed could not be provided for complete period of 29 months, which could have adversely affected their health and growth.

Female calves were fed inadequately

Further, no feed subsidy was provided in the units test checked during 2002-04. In 2001-02 also, inadequate feed subsidy was provided. As against the requirement of 174.21 quintals of feed subsidy for 89 cases in two districts, only 65.24 quintals (37 per cent) were provided.

Non-maintenance of records to assess the extent of improvement in milk yield

To assess the milk yield of animals reared by providing feed subsidy under the project, a register to record the yield was required to be maintained. In the districts test checked, no such register was maintained, in the absence of which extent of improvement in milk yield, if any, could not be verified in audit.

Non-supply of superior quality pigs to pig breeders

3.1.10 Pig being the most prolific animal, pig rearing is gaining popularity in the State especially with the landless labourers and populace in rural areas. The State had two Piggery Farms, one each at Ambala and Hisar. The main objectives of these farms were to produce pigs of Yorkshire breed and to supply them to the pig breeders on subsidized rates for breeding purposes.

Import of Pigs to improve the local breed was not pursued by the department

Under the Centrally Sponsored Scheme, "Assistance to State for Integrated Development/Strengthening of Pig Breeding Farms," GOI sanctioned (October 1997) Rs 14 lakh for import of pigs for Haryana State and directed the State Government to send their demand of pigs indicating their breeds. In February 2000, a proposal for purchase of 46 gilts and 10 young boars was sent to GOI along with a demand draft for Rs 14 lakh towards their purchase cost. GOI advised (August 2001) the State Government to arrange import of pigs at their level as the system of centralized import by GOI had since been discontinued. The Director requested (February 2002) GOI to sanction Rs 3 lakh to meet travelling expenses for Veterinary Doctors to visit abroad for importing pigs out of scheme funds; no response was received to this request. In the mean time, GOI returned Rs 14 lakh in August 2003. Thereafter no efforts were made to import pigs and the amount was refunded to GOI in February 2004. Thus due to non-procurement of pigs by the department, superior quality of breed of pigs could not be supplied to the farms.

Unfruitful expenditure on salary of Veterinary Surgeons

3.1.11 Haryana Veterinary Vaccine Institute (HVVI), Hisar was set up for the production of different types of vaccine to protect livestock against the onslaught of contagious diseases and for their immunization. It was noticed that Renikhet, Swine Fever and Fowl Pox Vaccines were not produced at all since 1995. While admitting the facts, the department attributed (August 2004) non-production of Renikhet and Fowl pox vaccines for poultry

disease to preference of people for commercialised poultry products. Non-production of Swine fever vaccines was attributed to non-functioning of freeze dryer equipment.

Audit observed that there was hardly any work load with the four Veterinary Surgeons (VSs) posted at the Institute as of March 2004 for the production of these vaccines. These Veterinary Surgeons continued in various spells of posting at this Institute, which ranged between 17 and 72 months during the 9 years from 1995 to 2004. Thus, Rs 30.79 lakh spent on salary of the VSs during 1995-2004 were largely rendered unfruitful. The Director stated (August 2004) which was also endorsed by Government (September 2004) that these VSs were helping in standardising and testing other vaccines. The reply was not convincing because for testing of other vaccines, separate VSs were already in position.

Less utilization of Central assistance

Out of central grant of Rs 65.52 lakh, Rs 30.03 lakh remained unspent

3.1.12 The Central Wool Development Board (CWDB), Jodhpur sanctioned (November 2001) release of Rs 65.52 lakh as grant-in-aid to HLDB for meeting expenditure for six Integrated Sheep and Wool Development Projects under Assistant Directors, Sheep and Wool Development, Hisar and Loharu. Of this amount, Rs 35.49 lakh were spent and balance of Rs 30.03 lakh remained unutilised as of January 2004.

It was noticed that the department provided facilities of sheep washing/shearing, etc. only to 28,490 sheep (9 per cent of target). Also the department failed to provide any financial assistance to meet transportation cost to registered flock owners to carry their produce to wool *mandies*/wool grading centres at Hisar and Loharu, as envisaged in the scheme. Similarly, training to sheep breeders to learn techniques for machine shearing was also not imparted.

Assistant Director, Sheep and Wool Development, Hisar stated (September 2004) that facilities of sheep shearing could not be provided due to non-availability of trainers and transport facilities could not be provided due to non-availability of vehicles, while Assistant Director, Sheep and Wool Development, Loharu stated that training for shearing could not be provided due to non-availability of sheep shearing machines.

Cattle and Buffalo Development Programme

The objectives of the Cattle and Buffalo Development Programme were, *inter-alia*, to promote the livestock production in the State by improving the infrastructure for breeding facilities like artificial insemination, embryo transfer technology, strengthening of disease diagnostic laboratories, development of pack animals, *Gaushala* and *Gosadan* and reorganisation of livestock farms, etc. The State Government constituted (January 2000)

Haryana Livestock Development Board (HLDB) to exclusively implement this programme. Scheme/activity-wise deficiencies noticed in the implementation of this programme were as discussed below:

Non-achievement of targets of AIs done in cows/buffaloes

3.1.13 Artificial insemination is aimed at improving the breed of cows and buffaloes with a view to achieving higher milk yield. In Haryana 2,421 Veterinary institutions undertook insemination in cows/buffaloes. The targets for calf born against AIs (viz. success rate) were not fixed by the department. The actual success rate for AIs in the State ranged between 25 and 31 per cent during 2001-04.

Shortfall in achievement of targets for AI ranged between 12 and 30 per cent in the State

Further, targets for carrying out AI in buffaloes were not achieved in any year during 2001-04. As brought out in *Appendix XV*, the shortfall ranged between 12 and 30 per cent in the State. However, in three (Bhiwani, Karnal and Rohtak) of the six districts checked, the shortfall was between 12 and 49 per cent during the same period. The Director replied (May 2004) that shortfall was due to traditional liking of people for natural insemination by bulls on buffaloes. The reply was suggestive of the need for the department to educate rural people about the advantages/usefulness of genetic improvement of milch animals through AIs.

Non-providing essential equipments for AI

It was, further noticed that the essential equipments for carrying out artificial insemination, were not provided to the following Veterinary Institutions during 2001-04:

Sr. No.	District	Number of Veterinary institutions	Number of institutions not provided with	
			Microscopes	Temperature maintenance kits
1.	Ambala	123	123	123
2.	Bhiwani	186	120	180
3.	Karnal	192	60	192
4.	Rohtak	199	NA	199

Non-availability of essential equipments adversely affected the achievement of AI programme as out of 5.03 lakh to 6.88 lakh AIs done, the calf was born only in 1.26 lakh to 2.12 lakh cases which ranged from 25 to 31 per cent during 2001-04 as given in *Appendix XV*.

Non-assessment of milk yield of calf born out of AIs done

As laid down in the scheme, the veterinary institutions were required to maintain the record of milk yield of the improved breed of calves born out of AI when grown up as buffaloes, but no such record was maintained. Hence the impact of scheme on production of milk of improved breeds could not be assessed.

Non-reconciliation of recovery of cost of AI straws

3.1.14 HLDB decided (May 2000) to provide animal breeding facilities by charging fee of AI straw at Rs 15 and additional fee at the rate Rs 50 for carrying out AI at their doorsteps.

Test-check of records of three AI straw Collection Centres (Bhiwani, Karnal and Rohtak) revealed that out of 7.68 lakh AI straws received from production

stations, 7.44 lakh were issued to veterinary institutions during 2001-04. The Collection Centres did not maintain any record indicating the details of AI straws issued at the rate of Rs 15 or 65 each. Therefore, the amount recoverable against issue of 7.44 lakh straws was not worked out by the Centres. Reasons for the omission were not intimated. However, even at the minimum rate of Rs 15 per straw, recoverable amount against issue of 7.44 lakh straws worked out to Rs 1.12 crore against which only Rs 0.92 crore were deposited in HLDB's Accounts during 2001-04. Balance amount of Rs 0.20 crore, which would be more after taking into account the number of straws issued at the rate of Rs 65, remained non-deposited with HLDB.

The Department stated (August 2004) which was also endorsed by Government in September 2004 that wastage of 5 per cent was allowed. The reply was not tenable because in the absence of proper details of issuance of straws at the counter or at the door steps, the extent to which undercharge had occurred could not be worked out.

Non-functioning of Liquid Nitrogen Gas Plants

All the 11 liquid nitrogen gas plants were non-functional

3.1.15 Liquid Nitrogen (LN₂) gas plants were required for preservation of frozen semen. In view of the policy of deep-freezing³ of semen, eleven LN₂ gas plants were installed in eight districts between April 1975 and February 1997. As intimated by the department, eight plants had already outlived their lives and were, hence non-functional during 2001-04. However, during 2001-04, it was also observed that remaining three plants (at Gurgaon, Narnaul and Pundri) were also non-functional for want of repairs and therefore, the production of LN₂ gas was nil. To meet the requirement, five Semen Bank Officers⁴ purchased 4.27 lakh litres of LN₂ gas from market at a cost of Rs 53.05 lakh. Effective steps were not taken to carry out repairs/replacement of parts. Further, the department had not taken any action to dispose off the eight non-repairable/damaged plants. In Gurgaon district, Rs eight lakh spent on the salary of the operator since the year 1996 was thus rendered unfruitful. In reply to audit observation, the Director stated (May 2004) that the damaged plants could not be disposed off due to lack of technical manpower in the department. Reply was not convincing as the services of qualified engineers could have been borrowed from GOI or neighboring States, as there had already been considerable delay in the matter.

³ Minus 196 degree centigrade.

⁴ Bhiwani, Hisar, Karnal, Narnaul and Rohtak.

Non-implementation of Embryo Transfer Technology Programme

Embryo Transfer Technology building could not be completed due to non-release of funds

3.1.16 Haryana Livestock Development Board released funds of Rs 1.62 crore, during 2000-03 as grants-in-aid to National *Gaushala*, Dharoli (Jind), a non-Government organisation, for construction of laboratory building and cow sheds under Embryo Transfer Technology (ETT) scheme. The infrastructure was required to be completed at a cost of Rs 4.45 crore within two years from February 1999, the date when the *gaushala* management sent the proposal to the Director, Animal Husbandry. From the third year, embryo was to be prepared and transferred from 150 cows. Though the released grant of Rs 1.62 crore had been spent, the building was incomplete and the *gaushala* management demanded more funds. A technical committee of the department, however, recommended that further release of funds should be considered after evaluation of the progress of building work. The progress had not been evaluated so far and balance funds had not been released. Thus, embryo transfer work had not been taken up (August 2004). The Director stated (August 2004) which was also endorsed by Government in September 2004 that for evaluation of the progress of building work, joint inspection of the building by the officers of GOI and the State Government was to be carried out and funds would be released after receipt of their report. Fact remained that implementation of the programme was slow and the intended benefit of the technology could not be delivered.

Livestock Farm at Hisar

The Farm aimed at providing fodder and feed to milch animals to increase the productivity of milk and producing good quality exotic bulls for improving the breed of milch animals.

Decrease in milk production at Government Livestock farm at Hisar

Poor management of the farm led to decrease in milk production by 23 per cent

3.1.17 Government Livestock Farm at Hisar is divided into various sectors. A scrutiny of details of cows in milk, average lactation, birth and mortality rate, etc. in respect of cattle maintained at Sectors I and II of the farm revealed that during 2001-04 there was decrease in the milk production by 23 per cent; average number of cows in milk by 33 per cent; wet-dry ratio by 16 per cent in Sector I and eight per cent in Sector II; average lactation yield by 11 per cent in Sector I and 22 per cent in Sector II; birth rate by 38 per cent in Sector I; conception rate through AI by 16 per cent and average weight of newly born calves by two per cent in Sector II.

On the other hand, mortality rate and average age of first calving increased by 100 per cent and 22 per cent respectively in Sector I, resulting in decrease in milk production and increasing the infertility due to poor management.

Inadequate feeding of herd at Livestock farm

3.1.18 The quantities of fodder and mineral concentrate ration (MCR) required and actually provided to the milch animals under this farm during 2001-04 were as indicated below:

Year	Number of milch animals at year end	Fodder				Feed (MCR)			
		Requirement	Actually provided	Short feeding	Percentage	Requirement	Actually provided	Short feeding	Percentage
(in thousand quintals)									
2001-02	528	199	137	62	31	7	5	2	29
2002-03	466	161	105	56	35	7	6	1	14
2003-04	355	130	99	31	24	5	4	1	20

Shortfall in fodder to milch animals during 2001-04 ranged between 24 and 35 per cent and in feed ranged between 14 and 29 per cent. As analysed in audit, reasons for short feeding were less production of fodder at farms and less funds for purchase of feed. Further, it was noticed that against the target of selling 120 young bulls during 2001-04, only 73 bulls were actually sold.

Shortfall in production of fodder and seed at Government Livestock Farm, Hisar

3.1.19 Government Livestock Farm, Hisar owned land for the purpose of providing fodder for the cattle herd maintained at the Farm. It was noticed that the cultivatable area was less sown by Sector I (897 to 1712 acre), Sector II (902 to 1705 acre) and Sector III (842 to 1218 acre) during 2001-04. The Sector Superintendents of GLF stated (July 2004) that the cultivatable area decreased due to shortage of water and unfavourable weather.

Average production of green fodder per acre decreased from 67 to 48 quintals in Sector I, 61 to 54 quintals in Sector II and 90 to 61 quintals in Sector III during 2001-04. Decrease in per acre production as well as in cultivatable area led to shortfall in production of green fodder by 6.93 lakh quintals which resulted in loss of Rs 2.91 crore (calculated on the basis of rates fixed by the Market Committee).

Non-achievement of targets of dairy development activities

3.1.20 Dairy Development Department aims to boost the dairying profession on modern commercial lines besides providing self-employment to unemployed rural youth, to raise socio-economic status of the weaker sections of the society and to ensure the availability of quality dairy products. The State Government provided self-employment opportunities to educated unemployed youth of the State through the establishment of 10/5/3 milch animals dairy units and also arranged their training for the establishment of such units. The scheme envisaged providing subsidy to unemployed youth. Targets

5

Information supplied by State Cattle Breeding Project, Hisar.

Decrease in fodder and seed production led to loss of Rs 2.91 crore

Government did not provide adequate funds to meet the requirements for subsidy

and actual achievements during 2001-04 were as under:

Particular	Year	Milk Animals Dairy units			Total
		10	5	3	
Targets	2001-02	1,440	600	780	2,820
	2002-03	4,030	2,860	3,910	10,800
	2003-04	650	500	750	1,900
Achievements	2001-02	1,314	965	537	2,816
	2002-03	2,538	2,470	3,113	8,121
	2003-04	814	398	886	2,098
Number of animals required	2001-02	13,140	4,825	1,611	19,576
	2002-03	25,380	12,350	9,339	47,069
	2003-04	8,140	1,990	2,658	12,788
Number of animals available	2001-02	8,925	3,062	1,102	13,089
	2002-03	16,660	7,911	6,069	30,640
	2003-04	6,830	1,762	1,919	10,511

The Financial Commissioner and Principal Secretary, Dairy Development Department, revised the targets of 2,820 dairy units in 2001-02 to 10,800 dairy units in 2002-03 with a view to get additional funds sanctioned under the scheme to provide self-employment to more persons but no additional funds were provided by the Government. Considering the financial constraints experienced in 2002-03, the department drastically reduced the targets to 1,900 dairy units from 12,000 units initially proposed for 2003-04. Inadequate provision of funds led to lesser self-employment opportunities for educated youth. There was thus a need for the Government to provide funds proportionate to the requirements as per targets.

Non-achievement of objectives of Equine Production Centre

Objectives were not achieved fully as production of thoroughbred/race horses and mules not taken up

3.1.21 The State Government introduced a scheme 'Establishment of Equine Production Centre at Hisar' in April 2000 with the objectives of production of thoroughbred and race horses, mule production, grading up of local breed of donkeys, disease control and surveillance over important equine diseases, inspection of stud farms, to educate farmers engaged in equine production and promoting the sale of thoroughbred horses in national and international markets. The Government sanctioned (April 2000) one post of Project Director and 10 supporting staff by diverting them from redundant schemes. The department spent Rs 13.24 lakh on the project, of which Rs 7.83 lakh were on pay and allowances of staff during 2000-03 and balance on purchase of a car (Rs 3.57 lakh) and for meeting contingent expenditure. The Department stated (August 2004) which was also endorsed by Government in September 2004 that the Project Director was providing technical know-how to the breeders for the improvement of equine breed in the State. Thus, as admitted by the department, the Centre confined its activities only to providing technical know-how to horse breeders. Activities like production of thoroughbred and race horses and mule production at the centre were not taken up. As such, the objectives of the centre were not achieved fully.

Personnel management

Codal provisions provide that the department should follow a sound system for determination of manpower requirement, their regulations and their efficient and effective utilization. A periodical review should be conducted to compute manpower needs and to watch whether the sanctioned manpower is utilized for the purpose it was sanctioned. Scrutiny of records revealed improper deployment of staff, posting of staff over and above the sanctioned strength and irregular drawal of salaries of staff as brought out hereunder:

Improper deployment of staff

162 officials were drawing salary from the offices other than the offices of their deployment

3.1.22 Chief Secretary to Government of Haryana imposed (December 1996) a total ban on change of headquarter of the employees, as it was another way of effecting a transfer.

In 28 offices (DDOs) of the districts test checked, salaries of 162 officials were drawn by these offices under orders of the Director, Animal Husbandry though the officials were posted in other offices of the department in violation of instructions issued by the Government. The period of posting of such employees in other offices ranged between 5 and 129 months as indicated in *Appendix XVI*. Such adjustments were tantamount to extending undue favour to the concerned officials.

Posting of staff over and above the sanctioned strength

3.1.23 Haryana Veterinary Training Institute (HVTI) was established at Hisar in May 2001. The State Government had neither sanctioned the staff for running the Institute nor provided budget for the years 2001-03. The State Government sanctioned (March 2003) 11 posts (Principal: 1, Lecturers/VS: 4; Others: 6) and deployed 7 officers/officials (Principal: 1; Lecturers: 3; Others: 3). Besides the service of 19 employees (Demonstrators: 4; Clerks: 2; Driver: 1; Class IV: 12) who were working in other offices of the department were placed at the disposal of Institute during 2001-04 over and above the sanctioned strength though their salary was drawn from their parent offices. This resulted not only in irregular payment of salary of Rs.19.65 lakh but also affected the working of the offices from where they were diverted. The Department stated (August 2004) which was also endorsed by Government in September 2004 that services of these officials were utilized by giving them additional charge. The reply was not acceptable as five of these employees were deployed from outstations while other employees, though from the same station (Hisar), were adjusted exclusively at the Institute.

Irregular drawal of salaries of staff

3.1.24 Against requirement of 697 posts of different categories in HLDB, the State Government sanctioned and placed the services of only 316 officers/officials on deputation with HLDB. HLDB had not submitted any proposal for sanction of some additional posts along with their justification for carrying out the activities smoothly. In the test checked offices, 177 employees had been carrying the activities of HLDB though their salary to the

tune of Rs 5.85 crore was drawn from the Government account instead of transferring the liability to HLDB.

Internal audit

3.1.25 With a view to improve overall quality of work, reduce errors/omissions and irregularities, the State Government introduced the system of internal audit. Two posts of Accounts Officers (AO) and two posts of Section Officers (SO) were sanctioned for the department. The department posted one AO and one SO each at Directorate and Government Livestock Farm (GLF), Hisar and vested drawing and disbursing powers in AOs. Internal audit, however, was not conducted during 2001-03. The Director issued (September 2003) instructions for conducting internal audit in compliance to PAC's observations on a paragraph of the Comptroller and Auditor General of India's Report – Civil – Government of Haryana for the year ended March 1998. The staff posted at Hisar conducted (between November 2003 and February 2004) internal audit of only five offices covering the period upto October 2003-January 2004 for which Inspection Reports were still (April 2004) in processing stage. Thus internal audit was not at all effective, as it had covered only 5 (out of 93) offices during 2001-04.

Monitoring and evaluation

3.1.26 The Director was responsible for monitoring and evaluation of the implementation of programmes, schemes and other activities of the department. Monthly progress reports of each scheme/programme were submitted to the Directorate by the controlling officers at district level which were merely compiled and no corrective steps/measure to improve the working of the department and to achieve the targets fixed were taken. Though the Secretary as well as the Director held meetings with the field staff to review and monitor the schemes/programmes, no fruitful results were achieved.

No evaluation of schemes/programmes was done. Shortfalls in artificial insemination, non-functioning of LN₂ gas plants, non-fulfillment of aims in equine production centre and non-implementation of embryo transfer technology showed lack of monitoring and evaluation. The audit review of the functioning of the Animal Husbandry and Dairying Department revealed that the effectiveness of several schemes had suffered for want of adequate monitoring at various levels.

Conclusions

3.1.27 The programme for livestock breeding was not implemented effectively, as there was considerable shortfall in artificial insemination of

buffaloes, conception age of calves and mortality among calves increased, while milk production during the last three years declined. Budget proposals were not prepared in accordance with codal requirements. Progress of expenditure was not monitored effectively, as there was rush of expenditure in March every year. 'Import of pigs' scheme to improve the local breed was not implemented. Of the 11 LN₂ gas Plants, none was functional. Average production of green fodder decreased and cultivable area was less sown in all the three sectors of GLF, Hisar. All these deficiencies are indicative of inefficient management and inadequate monitoring.

Recommendations

3.1.28 Government should ensure that the department formulates schemes/programmes after keeping in mind the provision of funds so as to complete the schemes within the specific time frame;

- Adequate feed subsidy in kind should be provided to small and marginal farmers for improving animal health and increasing milk yield. Government should make adequate provision of funds for subsidy for self-employment to educated unemployed youth for establishing dairy units;
- The department should gear up efforts to educate rural people about the benefits of artificial insemination of cattle for genetic improvement and provide essential equipments for AI in Veterinary Institutions.
- Government should ensure compliance from the department to implement Government decision on ban on change of headquarters of employees.

These points were referred to Government in July 2004: their reply to the points received (September 2004) had been incorporated.

Public Works Department

(Public Health Branch)

3.2 Sewerage and Sanitation Schemes including Yamuna Action Plan

Highlights

Objectives of Sewerage and Sanitation Schemes including Yamuna Action Plan (YAP), implemented by Public Health Department, were to provide hygienic sanitation facilities to the public and to reduce water pollution in rivers/canals, etc. While the department already had 25 ongoing sewerage and sanitation schemes in hand as of March 1999, 60 new schemes were also taken up during 1999-2004, but none of these had been completed. Time schedule for completion of works was not fixed and funds were not released by Government, which resulted in non-completion of sewerage schemes. This led to spread of unhygienic conditions due to discharge of untreated sewage in the open. Audit noticed non-functional and underutilised sewerage schemes, which led to unfruitful expenditure while sewerage facilities were provided to only ten per cent of the population of Ambala City. Scrutiny of records relating to YAP revealed lack of planning for sewage treatment, partial completion/underutilisation of sewage treatment plants (STP), non-maintenance of prescribed standards in treatment of effluent, non-laying of internal sewer lines/drains to link interception and diversion sewers, construction of oxidation ponds without ensuring disposal of treated effluent, underutilisation of structures, construction of toilet units in unidentified areas, etc. All these factors led to non-achievement of goals of reducing water pollution in rivers/canals and providing hygienic sanitary conditions.

- Out of total 749.15 MLD sewage generated in the entire State, only 254.50 MLD sewage (34 per cent) was treated.

(Paragraph 3.2.20)

- Public Health Department did not complete any of the 85 schemes, of which 25 were more than 5 years old. No time frame was fixed for their completion.

(Paragraph 3.2.10)

- Expenditure of Rs. 2.64 crore on construction of Interception and Diversion sewer in Gurgaon was rendered unfruitful because of non-construction of internal sewer lines for connecting it.

(Paragraph 3.2.24)

- Treated effluent from Sewage Treatment plant, Yamunanagar constructed at a cost of Rs 9.02 crore, was discharged into Western Jamuna Canal irregularly, contaminating the drinking water, as arrangements for a separate channel to carry the treated effluents were not made.

(Paragraph 3.2.27)

- Treated water of oxidation pond, constructed at a cost of Rs 1.06 crore at Karnal, was discharged in low lying area near the plant, without making arrangement for its disposal.

(Paragraph 3.2.25)

- In four towns, surface drains were laid at a cost of Rs 1.67 crore without making arrangement for funds/land for disposal works for treated effluent, which rendered the expenditure unfruitful.

(Paragraph 3.2.11)

- Sewerage schemes completed at a cost of Rs 1.09 crore in three villages in Hisar District were non-functional because the villagers did not come forward to obtain sewerage connections.

(Paragraph 3.2.15)

- Rs 13.74 crore were outstanding against Haryana Urban Development Authority on account of proportionate maintenance charges of STPs.

(Paragraph 3.2.9)

Introduction

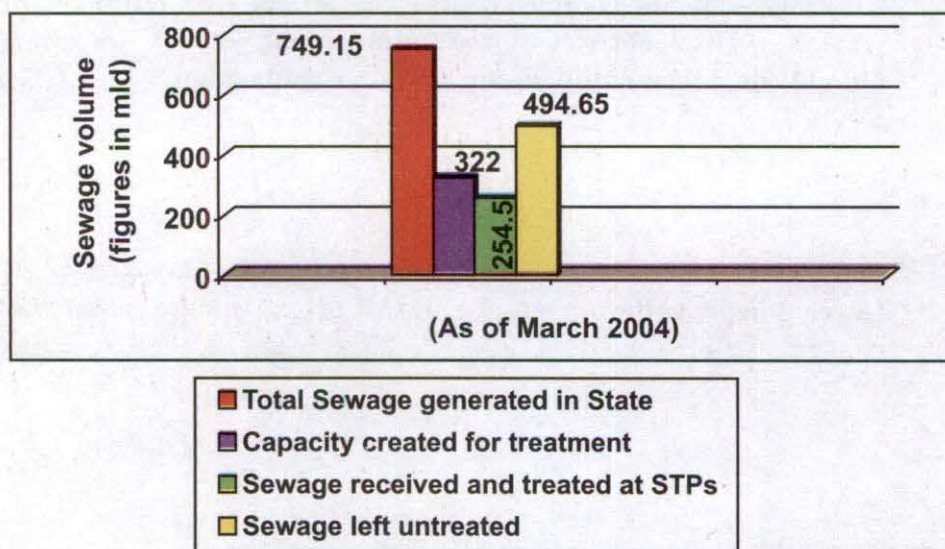
3.2.1 Safe water supply and hygienic sanitation facilities are basic essential amenities required for a community for healthy living. About 80 *per cent* of water used by the community comes out of houses in the form of waste water which, unless properly collected, conveyed, treated and safely disposed off,

may eventually pollute the precious water resources and cause environmental degradation. Out of 68 towns in Haryana, 22 towns did not have any sewerage facility; and even in the remaining 46 towns, the percentage area covered with sewerage systems ranged from 15 to 60. With the augmentation of drinking water supply schemes in rural areas, the generation of waste water had increased manifold which created insanitary conditions resulting thereby in growth of diseases. State Government had approved rural drainage/sewerage programme in selected villages. In order to reduce pollution load in river Yamuna, six towns in the State, which were directly or indirectly discharging their effluents into river Yamuna, were covered under Yamuna Action Plan (YAP) as a part of Phase-II (started from May 1994) of Ganga Action Plan for sewage treatment facilities. Six more towns were included from February 1996 in the scheme as per the direction of the Supreme Court.

To provide hygienic sanitation facilities, the State Government had sanctioned 60 new sewerage schemes during 1999-2004 at an estimated cost of Rs 107.69 crore in addition to 25 ongoing schemes. None of these 85 schemes had been completed so far (March 2004).

To reduce pollution load in Yamuna river, a project at an estimated cost of Rs 232.20 crore was under execution for providing 18 sewage treatment plants (STPs) in 12 towns identified under the scheme. As of March 2004 of the 749.15 mld¹ sewage generated in 83 towns of the State, 494.65 mld sewage was left untreated. Capacity of 17 STPs for treating 322 mld sewage was not fully utilized as only 254.5 mld sewage could be treated as indicated in the graph below:

Generation and treatment of sewage in the State



¹ Mld: Million litres per day.

Programme objectives

3.2.2 Objective of Sewerage and Sanitation Schemes was to provide hygienic sanitation facilities to the public by providing sewerage system in various towns.

Yamuna Action Plan was a Centrally sponsored scheme, aimed at reducing pollution load in Yamuna river, which is the main source of water supply in Delhi and some parts of Haryana, by providing sewage treatment plants in twelve towns identified under the scheme.

Organizational set up

3.2.3 For the formulation of policies/schemes relating to sewerage and sanitation and for monitoring their implementation, the State Government constituted (1967) Haryana State Sanitary Board (HSSB), which was comprised of 19 members with the Public Health Minister as its President. Financial Commissioner and Secretary to Government of Haryana, Public Health Department was administrative head at Government level and was responsible for implementation of policy decisions, programmes and schemes, etc. The Engineer-in-Chief (EIC), Public Works Department, Public Health Branch, Panchkula was over all incharge of the schemes and was assisted by 12 Superintending Engineers (SEs) and 43 Executive Engineers (EEs) in the field for execution of works. One SE and four EEs were exclusively dealing with the works relating to YAP.

Audit objectives

3.2.4 Main objective of the audit review was to evaluate the performance in providing hygienic sanitation facilities through the schemes implemented. Audit also assessed the achievement in reduction of water pollution levels in river Yamuna, a source of irrigation/drinking water for large population. For this purpose, following parameters were adopted in audit:

- Achievement of targets for completion of works relating to sewerage;
- Execution of works within a time frame;
- Proper functioning of sewerage system laid under various schemes;
- Reduction in pollution level in Yamuna river caused through domestic waste and industrial effluents; and
- Functioning of sewage treatment plants under YAP.

Audit coverage

3.2.5 Records relating to sewerage and sanitation schemes and YAP works for the period from 1999-2004 in the offices of the HSSB, EIC, Public Works Department, Public Health Branch and 13² Public Health Divisions (out of 43) were test checked during October 2003 to May 2004.

Criteria for selection of divisions for test-check of records for sewerage and sanitation schemes was to ensure coverage of towns from each of the four commissionerates in the State and quantum of sewerage generated in various towns. For Yamuna Action Plan, all the divisions, which executed works under the scheme, were covered in Audit.

Funding pattern

3.2.6 Under sewerage schemes, five *per cent* of the total expenditure was to be borne by the concerned Municipal Committees (MCs) and balance 95 *per cent* out of loans and grants (loans: 60 *per cent* and grant: 40 *per cent*) released by the State Government on the basis of proposals/ recommendations of HSSB. After release of funds by State Government, the concerned MCs were required to prepare contingent bills, duly countersigned by SE, PH (ex-officio Member Secretary of the HSSB) for presentation at the treasury and for their credit to the Public Works Deposit Account (PWDA). Under Centrally sponsored YAP, while entire expenditure for execution of new work was funded by GOI, expenditure for operation and maintenance of assets was met by the State Government. GOI sanctioned funds on the basis of detailed project reports (DPRs) approved by National River Conservation Directorate (NRCD), Ministry of Environment and Forests.

Financial outlay and expenditure

3.2.7 Budget provision and expenditure during 1999-2004 for sewerage and sanitation schemes and YAP were as detailed below:

Year	Budget provision		Expenditure (Account figures)		Expenditure (Department figures)	
	Sewerage and sanitation	YAP	Sewerage and sanitation	YAP	Sewerage and sanitation	YAP
	(Rupees in crore)					
1999-2000	5.27	13.27	6.54	14.82	8.34	13.68
2000-2001	5.20	15.50	5.20	15.50	5.87	7.29
2001-2002	7.20	36.50	6.03	-	4.96	30.69
2002-2003	11.30	3.50	15.51	7.61	14.27	1.18
2003-2004	3.00	5.67	4.96	5.67	12.01	1.62
Total	31.97	74.44	38.24	43.60	45.45	54.46

² Kurukshetra, Hisar-I, Tosham, Yamunanagar-I, Panipat -II, Sirsa-I, Hansi, D&P, Sonipat, Ambala Cantt, Gurgaon, Faridabad-II, Bhiwani-I and Dabwali.

As evident from above table, against the budget provision of Rs 31.97 crore on sewerage and sanitation schemes, expenditure was Rs 45.45 crore. The variation in expenditure figure as per accounts and department were mainly because of the fact that the expenditure in Accounts books was booked on the basis of drawal of funds from the treasury by the EEs while the departmental figures were based on actual utilization of funds out of those drawn from treasuries, Civil Deposit Account and from direct releases made through bank drafts to the EIC, YAP directly by GOI.

Under YAP, against budget provision of Rs 74.44 crore, actual expenditure was Rs 54.46 crore. During 2001-02, expenditure as per accounts figures was 'nil' while the department reflected the expenditure as Rs 30.69 crore because GOI released Rs 23 crore through bank draft direct to the EIC, Haryana (not routed through state budget) and balance expenditure was met from available funds in PWDA.

It was observed that Municipal Committees did not repay the loan and also did not pay their share of contribution and Haryana Urban Development Authority did not deposit the proportionate charges of sewage treatment plants in their area in Gurgaon town as discussed below:

Non-recovery of loans and non-contribution of share by MCs

MCs did not repay the loans to Government

3.2.8 As per conditions of loans sanctioned to the Municipal Council/ Committees (MCs), the loan was to be repaid in 30 equal annual instalments and the recovery (principal and interest) was to start one year after its drawal. In case the payment of instalment was not made on due dates, compound interest at prescribed rate of 12 per cent was chargeable. It was, however, noticed that recoveries were not made regularly and Rs. 35.42 crore (including interest of Rs. 12.37 crore) had accumulated at the end of 2003-04. The Director, Urban Estates did not maintain details of amounts and the period for which the recoveries were outstanding. On being asked in audit, the Director stated (August 2004), that the details were being ascertained from MCs.

MCs did not contribute the prescribed share for schemes

Besides, the MCs were required to share five per cent of the total expenditure on sanitation and sewerage schemes. During 1999-2004, Rs 2.27 crore fell due for recovery on this account against which the MCs had not paid any amount. These aspects were earlier commented vide paragraph 4.1.8 of the Comptroller and Auditor General of India's Report (Civil), Government of Haryana for the year ended 31 March 1998. The Public Accounts Committee (PAC) in March 2003 recommended that the matter regarding realisation of arrears of contribution and loan amount from the Municipalities be taken up with the Government for early settlement. No action on these recommendations had been taken so far (June 2004).

Recoverable amount from HUDA

Rs 13.74 crore were outstanding on account of proportionate maintenance charges

3.2.9 Under YAP, STPs were constructed in various towns. Sewage from HUDA's area in these towns except Gurgaon (where HUDA had its own STP) was also diverted to these STPs.

It was noticed that Rs 13.74 crore for the periods between 1977-78 and 2003-04 remained unrecovered as of March 2004 from HUDA in six towns³ on account of proportionate maintenance charges of STPs based on sewage generated in HUDA and other areas.

Sewerage and sanitation schemes

Public Health Department did not complete any of the 85 sewerage and sanitation schemes

3.2.10 For providing hygienic sanitation facilities and ensuring safe supply of drinking water, the State Government and HSSB took up several sewerage and sanitation schemes. During 1999-2004, 60 new schemes were taken up besides 25 ongoing schemes, which were already under implementation prior to April 1999. None of these schemes had been completed till date (March 2004). Rupees 12.92 crore had been spent on 25 schemes, which were more than 5 years old.

A review in audit revealed absence of any time limit for completion of each scheme in the administrative approvals and non-release of funds by the Government; this resulted in non-completion of schemes. The review also brought out improper planning, non-completion of sewerage schemes, avoidable/extra expenditure, spread of unhygienic conditions due to discharge of untreated sewage water in open, non-functioning/under utilization of sewerage schemes, non-providing of sewage facilities in Ambala City and execution of works without obtaining technical sanctions to cost estimates. Such irregularities were being repeated time and again by the department. These points are discussed in the following paragraphs:

Improper planning

Non-completion of sewerage schemes

Sewerage works taken up without making arrangement for disposal works

3.2.11 The HSSB approved four schemes for providing sewerage facilities in Narnaund, Bawani Khera, Loharu and Siwani towns during August 1997 to July 1999. The schemes provided laying of sewer line, construction of screening chamber, collection tanks, pump chamber, etc. for disposal works. As provided in GOI's Sewage and Sewerage Manual, the sewerage work should begin from the final disposal points going backwards. Contrary to this, in several cases, the works relating to sewer lines were being completed first and the works for disposal of sewage were being either completed later or left incomplete. Almost all the divisions were repeating this practice. Details of four such schemes where sewer lines were laid but disposal works were

³ Faridabad: Rs 10.37 crore; Jind: Rs 1.31 crore; Panipat: Rs 0.81 crore; Sonipat: Rs 0.58 crore; Karnal: Rs 0.57 crore and Yamunanagar: Rs 0.10 crore.

not completed were as under:

Sr. No.	Name of scheme	Estimated cost/date of sanction (Rs in lakh)	Date of start	Date of completion of sewer lines	Quantum of sewage (MLD)	Upto date expenditure on completion (Rs in lakh)	Remarks
1.	Sewerage scheme at Narnaund	65.00 July 1999	May 2000	December 2002	1.13	39.41	Due to non-availability of land.
2.	Sewerage scheme at Bawani Khera	85.00 January 1998	June 1998	December 2002	1.35	35.94	Due to change in the site of disposal works.
3.	Surface drain with intercepting outfall sewer at Loharu	60.50 August 1997	July 1999	March 2001	1.36	32.57	Due to non-availability of funds.
4.	Surface drain with intercepting outfall sewer at Siwani.	70.00 January 1999	March 1999	December 2002	1.31	58.97	Due to non-availability of funds.
Total		280.50			5.15	166.89	

Thus taking up of works of sewer lines without ensuring availability of land and funds for disposal works, Rs 1.67 crore spent on laying of surface drains and sewer lines were rendered unfruitful.

Avoidable expenditure due to injudicious planning

Improper planning resulting in extra expenditure of Rs 65.60 lakh

3.2.12 At Hisar, RCC sewer pipeline of 24" dia laid in Patel Nagar area along Kaimri Road was damaged during 1989. For pumping of sewer water, the Public Health Division set up a temporary pumping station in October 1989. In November 1998, another 16" dia RCC pipe was also damaged at different stretches and therefore another temporary pumping station was set up for pumping the water. To replace the existing damaged sewer of 16" dia with 24" dia, HSSB approved (May 2000) an estimate for Rs 1.18 crore, which included Rs 72.45 lakh for laying new parallel pipeline of 24" dia in the damaged portion. The work for replacing only damaged sewer was awarded as late as in December 2002 to an agency at an estimated cost of Rs 4.65 lakh i.e after 2 years and 7 months of Board's approval. Balance work for laying new parallel pipeline of 24" dia had not yet been awarded.

However, the division incurred an expenditure of Rs.65.60 lakh from October 1989 and November 1998 to October 2003 on running of temporary pump houses whereas approximately Rs 6 lakh only were required to repair the damaged portion.

Thus due to injudicious planning in fixing priorities for execution of works, the division had incurred an avoidable expenditure of Rs 65.60 lakh on running temporary pump houses. The concerned EE stated (November 2003) that due to tight position of funds it was not possible to take up the project. The reply was not tenable, as Rupees six lakh approximately were required to replace the damaged RCC pipeline.

Extra expenditure due to improper planning

Additional work of storm sewer had to be executed due to improper planning

3.2.13 To provide storm water sewer in Sirsa Town, State Government approved an estimate for Rs 3 crore in February 1996. The work was started in 1996 and after incurring an expenditure of Rs 1.34 crore upto 1998-99, it

came to notice that the newly designed sewer and the existing sewer crossed each other at two places because of which, it was not possible to lay the sewer any further as the levels did not permit. It was proposed to change the alignment of the new sewer by constructing an additional 2050 ft. 54" dia brick circular storm water sewer, to make the already laid/being laid sewer functional. The additional storm water sewer was got constructed (May 2003) by spending Rs 51.21 lakh.

During audit it was noticed that position/location of existing sewer already laid was on record of the department but the same was not taken into account while obtaining approval of the storm water sewer scheme.

Thus, due to non-assessing the levels and position of existing sewer, an extra expenditure of Rs 51.21 lakh had to be incurred.

Spread of unhygienic conditions due to discharge of untreated sewage in open

Untreated sewage discharged in Halluwas Minor caused loss of crops besides contaminating drinking water

3.2.14 Design standards to be adopted for drainage/sewerage systems issued by Chief Engineer, PWD, Public Health Branch provided *inter-alia* that method of treatment or disposal of sewage should be decided at the stage of preparing the project instead of after the completion of the scheme and the sullage carrier should be so designed as to command sufficient area of land required for broad irrigation. In Bhiwani, the untreated sewage of the town was discharged into Halluwas Minor from where it flows into open fields of the village causing extensive damage to the standing crops over 265 acre land besides contaminating the drinking water and death of livestock. The EE, Bhiwani intimated (August 2004) that farmers had submitted simple application for compensation (no amount indicated) to Deputy Commissioner, Bhiwani. The Department, however, sent a case (May 2004) to the State Government for a claim of Rs 1.07 lakh to which decision was awaited (August 2004).



Agricultural land at village Halluwas rendered uncultivable as a result of sewage discharge in open fields



Polluted drinking water of a well unfit for human consumption due to mixing of sewage water in village Halluwas

The EE further stated (August 2004) that a proposal for acquiring 101 acres land for discharging sewage water was sent to the Government which was not approved due to paucity of funds.

Thus failure of the department in making proper arrangements for disposal of untreated sewage had resulted in damage of crops, pollution of drinking water and death of livestock in the village.

Non-functional sewerage scheme

Sewerage scheme remained non-functional due to lack of motivation of villagers

3.2.15 Public Health Division-1, Hisar completed (March 1997 to March 1998) schemes for providing sewerage facilities in 3 villages (Sadul Pur, Siswal and Arya Nagar) in Hisar district at a cost of Rs 1.09 crore. The scheme envisaged that water supply level in these villages would be raised to 110 LPCD⁴ for proper working of sewerage system.

However, no villager had come forward to obtain sewerage connection till date (October 2003) because of pre-condition of security deposit of Rs 1,000 and thereafter recurring charges of Rs 5 per month per connection. The village *Sarpanch*, Sadalpur also pointed out (July 2002) to the concerned division that sewerage lines had got damaged or choked. Further, water supply level in these villages had not been raised to 110 LPCD, as projected in the schemes.

Thus, sewerage schemes had been non-functional, as the sewerage lines had got damaged. The failure of the department to carry out survey to identify the prospective beneficiaries, motivating the villagers to derive the benefits of the scheme and in raising water supply level had resulted in unfruitful expenditure of Rs 1.09 crore.

⁴ Litre Per Capita Per Day.

Underutilisation of sewerage scheme

Negligible utilisation of sewerage scheme

3.2.16 An underground sewerage system in Rania town (District Sirsa) was completed in March 2003 at a cost of Rs 77.07 lakh. The scheme was designed for population of 37,000, projected upto 2020. The population of the town was 20,938 as per 2001 census.

It was noticed that only 14 sewer connections were released up to December 2003 and target of releasing one more connection was fixed for the year 2003-04. Thus the benefit of the scheme was derived by about 98⁵ persons only, resulting in under utilization of the facility for which the department had not intimated the reasons.

Non-providing of sewerage facilities in Ambala City

Sewerage scheme not completed, though conceived 20 years back

3.2.17 To provide sewerage facilities to about 1.69 lakh population of Ambala City, HSSB approved (June 1984) a scheme for laying of sewer lines, intercepting sewer, construction of disposal works, rising main and pumping machinery with cost estimate for Rs 3.43 crore, which was revised to Rs 5.26 crore in May 1987 due to cost escalation.

However, Public Health Division, Ambala Cantt. after spending Rs 28.12 lakh stopped the work in March 1998 because of considerable rise in water table in the area causing slushy conditions. The sewer lines could not be laid so far (March 2004).

Though this situation came to the notice of the department in December 1989, no alternate strategy was adopted to provide sewerage facilities. However, in September 2002, EE, PH Division, Ambala submitted a different detailed project report to EIC, Public Health, for providing sewerage facilities, which included provision for dewatering, plugging, pumping, etc. which had not yet been approved (April 2004).

The Department could provide sewerage facilities to only about ten *per cent* of population of the city and for the remaining population, these facilities had not been provided even after 20 years of approval of initial estimates.

Works executed without technical sanction/preparation of cost estimates

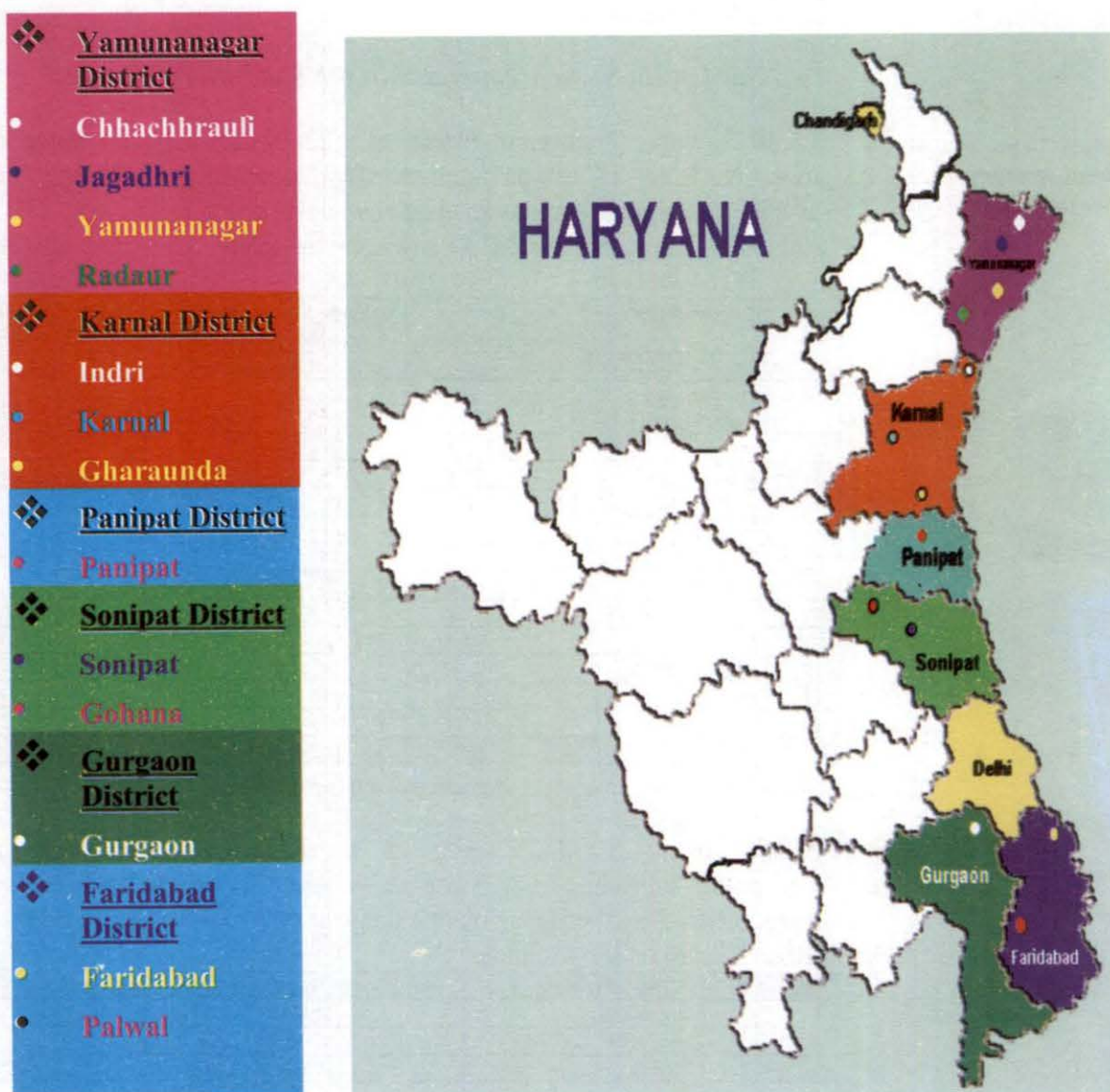
3.2.18 Public Works Department Code lays down that no work shall commence unless a properly detailed design and estimate is sanctioned by the competent authority. The department undertook execution of 28 works in 10 (out of 13) test checked divisions involving an expenditure of Rs 11.51 crore during 1999-2004 after these were administratively approved by the State Sanitary Board. However, technical sanctions to the detailed cost estimates for these works were not obtained from EIC/SE.

⁵ 14 families comprising 7 persons each.

Yamuna Action Plan

3.2.19 To reduce pollution load in Yamuna river, which is the main source of water supply to Delhi and some parts in Haryana, Yamuna Action Plan (YAP) was started as part of Phase II of Centrally sponsored Ganga Action Plan started from May 1994. The scheme covered 12⁶ towns of the State as shown in the map below:

Location of 12 towns under YAP



A project at an estimated cost of Rs 232.20 crore was under execution for providing 18 Sewage Treatment Plants (STPs) in 12⁷ towns in Haryana,

⁶ Yamunanagar includes Jagadhari town also.

⁷ Yamunanagar, Karnal, Panipat, Sonipat, Faridabad, Gurgaon, Chhachhrauli, Radaur, Indri, Gharaunda, Palwal and Gohana.

besides works of laying internal and trunk sewer to enable disposal of sewage and waste water, interception and diversion of sewage water, low cost sanitation, construction of electric crematorium and river-front development.

Scrutiny of records revealed lack of planning for sewage treatment, partial completion/under-utilisation of STPs, non-maintenance of prescribed standards in treatment of effluent, non-laying of internal sewer lines/drains to link interception and diversion sewers, construction of oxidation ponds without ensuring disposal of treated effluent, under-utilisation of mechanical structures, construction of toilet units in unidentified areas, etc. as brought out in the following paragraphs:

Two-third of the sewage generated in the State was not treated

Only 34 per cent of total sewage was treated in the State

3.2.20 Sewage Treatment Plants of 322 MLD capacity were constructed under YAP in 12 towns against which quantum of sewage received was 254.50 MLD, whereas the level of sewage in these towns was 419 MLD as of 2002-03. Thus, 164.50 MLD sewage was going untreated into the Yamuna river as shown below:

Sr. No.	Name of town	Present level of sewage generated	Capacity created	Sewage received in the STPs	Quantum of untreated sewage
				(MLD)	
1	Yamunanagar/Jagadhari (2)	40	35	29	11
2	Karnal (2)	50	48	38	12
3	Faridabad (3)	205	115	76	129
4	Panipat (2)	45	45	45	-
5	Sonapat	30	30	30	-
6	Gurgaon	30	30	30	-
7	Chhachhrauli	1	1	-	1
8	Radaur	1	1	-	1
9	Indri	1.50	1.50	-	1.50
10	Gharaunda	3	3	3	-
11	Palwal	9	9	-	9
12	Gohana (2)	3.50	3.50	3.50	-
	Total	419	322	254.50	164.50

Note:- Figures within bracket indicate the number of STPs in the town.

Besides this, 91.50 MLD sewage of 10 other towns (not covered under YAP) was going untreated into Yamuna system for which no remedial measures were initiated by the department except in two towns (where STPs were under construction) as shown under:

Sr.No.	Name of towns	Sewage generated (MLD)	Remarks
1	Samalkha	4.00	
2	Shahbad	6.00	
3	Hodel	4.50	
4	Jhajjar	5.00	STP under construction
5	Ganaur	3.50	
6	Ladwa	4.00	
7	Nilokheri	3.00	
8	Taravari	3.00	
9	Bahadurgarh	8.50	STP under construction
10	Rohtak	50.00	
	Total	91.50	

Besides, Haryana Urban Development Authority (HUDA) at Panchkula was maintaining a sewage treatment plant. Panchkula town generated 54 MLD sewage but the details of treated sewage were not intimated by HUDA.

The department replied that pre-feasibility reports of these 10 towns were submitted to NRCD for approval, which was awaited.

In the remaining 59 towns in the State, 184.65 MLD sewage was generated but no sewage treatment system existed as no scheme had been approved for the purpose so far. Untreated sewage of these towns was being disposed off into fields/open drains causing environmental hazards.

Thus, in the State, of 749.15 MLD sewage generated as of March 2004, 494.65 MLD of sewage had been going untreated in open areas/drains.

Underutilisation of Sewage Treatment Plants

STPs were under-utilised due to ill planning in sewage management

3.2.21 In Haryana, Yamuna Action Plan covers various towns including Faridabad. The waste water from Faridabad town was discharged into *nalas*, drains, (which ultimately reach river Yamuna) becoming the main cause of water pollution in the river. In order to prevent pollution of river in Faridabad area, GOI administratively approved (November 1993) a scheme, estimating the quantum of total sewage as 108.5 MLD, for construction of three STPs of 20 MLD, 45 MLD and 50 MLD capacity. The work of these STPs was completed between August 1998 and March 1999 at a cost of Rs 51.27 crore. However, 50 to 65 MLD sewage going untreated into Yamuna River through Movai Drain, Buria Nala and storm drains escaped the estimates and were not included while preparing detailed project reports.





Movai drain meeting points of Box and RCC Circular Sewer carrying raw sewage which remained to be diverted to STP

It was noticed that all the three STPs never ran to their installed capacity due to less flow of sewage. Zone wise position of inflow of sewage as on December 2003 was as under:

Sr. No.	Installed capacity	Sewage received	Shortage	Percentage of capacity
Zone I	20 MLD	16 MLD	4 MLD	80
Zone II	45 MLD	25 MLD	20 MLD	56
Zone III	50 MLD	35 MLD	15 MLD	70
Total	115 MLD	76 MLD	39 MLD	66

Thus, the STPs were running below their installed capacity. The reasons for receipt of less sewage were large number of sewers getting choked and outfall sewer of many colonies and HUDA not being connected with the main system. Thus STPs remained underutilized and defeated the very purpose of the scheme as the raw sewage was still being discharged into drains, which ultimately polluted river Yamuna. It was also noticed that no sewage from the initially planned area was going to STP for Zone – I. To utilise the STP of Zone – I, the discharge from Buria Nala and Movai Drain was temporarily diverted to STP – I and thus the STP – I was receiving 16 MLD sewage.

The EE stated (March 2004) that Municipal Corporation, Faridabad had connected the blocked sewers with these drains. The fact remained that the department failed to get the choked sewers cleared/repared for running the system successfully.

Discharge standards in Sewage Treatment Plants not maintained

3.2.22 The discharge standards for the treated effluent were biochemical oxygen demand (BOD) 30 mg/l and Total Suspended Solids (TSS) 50 mg/l as per YAP standards. Test reports of Central Pollution Control Board revealed that the working of 50 MLD, STP, Zone III at Faridabad and 30 MLD, STP at

Effluent treated in STPs was not within prescribed standards

Gurgaon was not upto the YAP standards as BOD and TSS levels exceeded the desirable limit as depicted below:

Name of STP		Levels of treated effluent				
		January 2003	June 2003	November 2003	December 2003	January 2004
		(Mg/l)				
50 MLD Faridabad	BOD	128	28	58	88	87
	TSS	168	80	71	222	51
30MLD Gurgaon	BOD	114	48	62	73	114
	TSS	53	140	59	62	62

The concerned division, however, had not devised any system to check the BOD and TSS level by testing samples of treated effluents.

Mixing of treated and untreated effluent

3.2.23 The treated effluent from STPs was discharged into various drains, which also carried untreated domestic and industrial waste at Yamunanagar and Panipat to river Yamuna and Western Jamuna Canal (WJC). As the treated effluent got mixed with the untreated one, the pollution level increased which ultimately polluted river Yamuna/WJC as detailed below:

Sr. No.	Name of towns	Capacity (MLD)	Pollution level after treatment		Pollution level after mixing with untreated effluent	
			BOD	TSS	BOD	TSS
1.	Yamunanagar	25	28	45	94	61
		10	29	55	74	76
2.	Panipat	35	27	50	148	74



Treated effluent from 25 MLD, STP at Camp area Yamunanagar coming out through effluent channel and falling into a Nallah running near the STP which flows into WJC



Treated effluent from 35 MLD, STP at Panipat coming out through effluent channel and falling into Panipat drain STP which flows into Yamuna River

Thus, appropriate planning was not done to save river Yamuna /WJC water from pollution.

Lack of planning

Unfruitful expenditure due to improper planning

Internal sewer lines/drains were not constructed to link with I&D sewer

3.2.24 To check pollution caused by sewage of some colonies in Gurgaon flowing into drain number 8 and river Yamuna, GOI approved a scheme to provide 'Interception and Diversion (I&D)' sewer in Avadhपुरi, Rajinder park and adjoining colonies across railway line for Rs 2.65 crore after an assurance from the EE, PH Division, Gurgaon that open drains would be constructed in the area to carry the discharge of streets into the main I&D sewer. This work was to be completed by December 2001. Though the work of main I&D sewer was completed in February 2002 at a cost of Rs 2.64 crore, drains/internal sewer were not constructed to link with I&D sewer. Thus, laying of I & D sewer without constructing the internal sewer had rendered the huge expenditure of Rs 2.64 crore as unfruitful as the I & D sewer was underutilized.

Executive Engineer stated (February 2004) that the work for laying branch sewer was in progress and considerable discharge of the area was going into the I&D sewer through branch line/open drains. The reply was not tenable as revised technical approval for laying sewer in the town was sanctioned only in February 2004 and funds were not allotted as of March 2004.

Construction of oxidation ponds without ensuring disposal of treated effluent

Effluent was discharged into nearby low lying areas

3.2.25 To treat the sewage water of Karnal, 8 MLD oxidation pond was constructed (completed in December 1999) under YAP at a cost of Rs 1.06 crore. As there was no appropriate arrangement for discharge of effluent, the low lying area near the plant was filled. The Forest Department as well as the farmers objected to the water being released on their land. The proposal for construction of effluent channel from sewage treatment plant to Barota Drain was not accepted by Engineer-in-Chief, as the scope of work was not covered in the detailed project report of the scheme and also in view of GOI's instructions that arrangements for conveying the treated effluent from STPs to final disposal were to be made by State Government. Another proposal for discharging the treated effluent into the irrigation channel was also not accepted by the Irrigation Department.

Executive Engineer stated (April 2004) that permission to construct the effluent channel had been received from Irrigation Department and the work had been started. The reply was not tenable, as Irrigation Department had asked for a certificate that there would be no death of any human and cattle by drinking effluent discharged from the STP. Also, permission of Forest Department on whose land effluent channel was to be constructed had not been obtained. Moreover, due to absence of tackling the colliform load of sewage water in oxidation ponds, the chances of contamination of potable water and occurrence of diseases could not be ruled out.

Thus, the oxidation ponds were constructed without making arrangement for disposal of treated effluent.

Non-completion of pollution abatement scheme

Partial completion of I&D sewers in Palwal town did not serve the desired objective

3.2.26 With the growing emphasis on abatement of pollution in river Yamuna, GOI (August 1997), approved a scheme for I&D sewers at Palwal, to be completed by August 1998. The work was partially completed in April 2001 at a cost of Rs 1.69 crore. Thereafter, no action to complete the sewer lines in the remaining areas and also to link the already laid sewer lines was taken.

Government of India separately sanctioned (August, 2001) the construction of STP and Main Pumping Station at Palwal at an estimated cost of Rs 3.64 crore with the condition to complete the same by June 2003. The work was still (January 2004) incomplete after spending Rs 1.67 crore. Thus delay in construction of I&D sewer and STP had resulted in nugatory expenditure of Rs 1.69 crore incurred on laying of partial sewer lines besides delay in controlling the pollution level in Yamuna. EE, YAP, PH Division, Faridabad stated (March 2004) that revised proposal for laying of I&D sewer in Palwal town was submitted to GOI in 1998, approval to which was still awaited (May 2004).

Thus, the fact remained that the activities were taken up without any proper synchronisation and planning, as I&D sewers were partially laid and revised

proposal for laying complete I&D sewer in Palwal town was not yet approved by GOI despite its submission six years back.

Absence of disposal system for treated effluent

Proper system to discharge treated effluent not devised

3.2.27 According to DPRs for construction of 25 MLD Upflow Anaerobic Sludge Blanket (UASB) sewage treatment plant at Yamunanagar (Camp area), the treated effluent from the STP was to fall into adjoining drain, which, ultimately was to join WJC. However, PH Department did not obtain prior permission of the Irrigation Department for discharging the treated effluent into WJC. PH Division 1, Yamunanagar took up the work in May 1996 and completed the construction in January 2003 at a cost of Rs 9.02 crore. The plant was, however, partially commissioned in September 2000 as only one of the two reactors could be completed by that time. Thus the work was completed without ensuring the method and location of release of the treated effluent.

In 1996, the irrigation authorities did not allow the discharge of treated effluent into WJC, because the canal water was utilized for drinking purposes also. The Chairman, Delhi Jal Board also stressed upon the Irrigation Department time and again to stop discharge of treated/untreated sewage in WJC as the water was utilised for drinking purpose in Delhi also.

For discharge of treated effluent the department submitted (December 1997) a proposal to GOI for construction of effluent channel at an estimated cost of Rs 3.83 crore. GOI refused to finance the project and asked the State Government to arrange funds from their own resources. The matter remained undecided till May 2003 when, Haryana State Pollution Control Board (HSPCB) took a decision to construct a ditch drain along WJC at a cost of Rs 7.94 crore of which Rs 3.08 crore and Rs 4.86 crore were to be borne by the Public Health Department and by the industries (who were discharging their effluent into WJC) respectively. No action in the matter had been taken so far (May 2004). Thus, the plant was conceived ignoring the provisions of the Haryana Canal and Drainage Act, 1974, (as amended in July 2001), which did not permit the discharge of treated/untreated sewage into canals. No action had been taken so far though the discharged effluent was being released in WJC against the codal provisions and against the instruction of Irrigation Department.

Unutilised sewerage structures

As no internal sewer lines were laid, I&D sewer remained non-functional

3.2.28 Government of India approved (June 1996) a pollution abatement scheme under YAPs phase II in Indri, Chhachhrauli and Radaur towns at a cost of Rs 4.30 crore. The works included laying of I&D sewer, construction of STPs and other ancillary works. As no sewerage facilities existed in these towns, it was proposed to complete sewerage works by 2001. Work on laying of I&D sewer was started in 1998 and completed during 2001 at a cost of Rs 1.47 crore. Work on construction of STPs was under progress and a total expenditure of Rs 3.83 crore had been incurred upto March 2004.

No provision for internal sewer lines was made and thus no internal sewer had been laid in any of these towns due to which I&D sewer laid at a cost of Rs 1.47 crore in these towns remained non-functional thereby defeating the very purpose of the pollution abatement.

Under utilization of structures resulting in recurring expenditure on running of Sewage Treatment Plant

Structures/machinery installed for generation of electricity were grossly underutilised

3.2.29 Under YAP, the department constructed, 10 upflow anaerobic sludge blanket (UASB) plants in six⁸ towns. The domestic waste water treated in a UASB reactor was suitable for discharging in river water; and the biogas generated through process could also be utilized for generating electricity for running the plant. In order to utilize the energy generated from biogas, various structures and equipments were provided and electricity generating system installed at all the UASB Plants at a cost of Rs.2.27 crore.

It was noticed that against capacity of generating electricity for 6-8 hours daily, electricity was generated for 2 hours per day on an average in all the STPs (except STP at Faridabad). This was much less than what was projected during the preparation of detailed project report on the basis of the design of UASB technology. For the remaining time electricity was arranged from external sources to run the STPs and its auxiliary pumps. Had the electricity been fully produced from the biogas as envisaged in the detailed project reports and design of UASB technology, the department would have saved Rs 77,000 per month as energy charges (at the rate of Rs 11,000 per month per STP).

Failure of the department in not generating enough energy sufficient to run the plant had resulted in unfruitful expenditure of Rs 2.27 crore incurred on infrastructures raised for generating electricity.

The EE, Panipat stated (November 2003) that cost of electricity produced from the biogas was equal to the electricity used from external source. The fact remains that since the equipments have been installed for generation of electricity, the same should have been utilized to optimum capacity to save upon electricity that had to be sourced externally particularly in view of electricity being a scarce resource.

Unjustified expenditure due to deviation from scheme norms

Toilet units were constructed at bus stands/administrative complexes, etc., instead of constructing in identified slum areas

3.2.30 In several towns of the State, there were large number of dry latrines, which were environmentally/aesthetically unsuitable and created unhygienic conditions. In these towns, there were certain identified slum areas where people did not have latrines in their houses or nearby. So in order to have better sanitation facilities, it was decided to construct community

⁸ Faridabad, Gurgaon, Jagadhari/Yamunanagar, Karnal, Panipat and Sonipat.

toilets/complexes in six⁹ towns. However, instead of constructing the community toilets in identified slum areas, the department constructed 33 units at a cost of Rs. 2.95 crore at places like bus stands, administrative complexes, etc. where such facilities were already existing.

Executive Engineers, YAP Division, Yamunanagar and Panipat stated (November 2003) that as per allotment letter, the site was to be selected in consultation with the Non-Government Organisations (NGOs) keeping in view the viability of these units. The reply was not tenable as the purpose of construction of these toilets was to reduce pollution level in slum areas where no such facilities existed. Besides, the reply was silent about the diversion of funds for sites other than slum areas. Thus, the expenditure was not justified under the scheme.

Industrial pollution

Lack of action against water polluting industrial units

3.2.31 A large number of industries are located in the catchments of WJC at Yamunanagar/Jagadhari and Yamuna river at Panipat, some of which were generating heavy organic pollution. At Jagadhari/Yamunanagar, 96.13 MLD of treated, untreated or partially treated industrial and domestic effluent was discharged into the WJC. Central Pollution Control Board in a survey conducted during February 2003 measured high concentration of Total Suspended Solids (TSS) (158mg/l), Bio-chemical Oxygen Demand (BOD) (190 mg/l) and Ammonia Nitrogen (30.5 mg/l). Similarly, 92.81 MLD untreated or partially treated industrial and domestic effluent including treated effluent from Panipat town was discharged into Yamuna river through drain number 2. Details of major industries discharging heavy pollution load in these towns were as under:

Sr.No.	Name of town	Name of industries	BOD	TSS
1	Yamunanagar	Haryana Distillery	292	661
2	Sonipat	Sterling Agro	68	59
3	Kundli	Industrial area of Kundli town	2407	1272
4	Sonipat	Bharat leather	393	223
5	Sonipat	Sugra leather Akbarpur	61	566
6	Samalkha	Haryana organics	139	127

Haryana State Pollution Control Board had not initiated any action against these polluting units to take remedial measures.

Monitoring

Lack of appropriate monitoring at different levels led to non-achievement of goals

3.2.32 SPCB was required to inspect sewage/trade effluents works, plants for the treatment of sewage and trade effluents and review plans, specifications or other data relating to these activities. However, except in six towns, which were covered under YAP, the Board did not monitor the quality of water and

⁹ Faridabad, Gurgaon, Jagadhari/Yamunanagar, Karnal, Panipat and Sonipat.

pollution load in the towns/cities where 349.15 MLD untreated sewage was being discharged into open fields/drains.

Besides, the execution/completion of works was required to be effectively monitored by the EIC, with a view to ensure that for each work, targets relating to time, cost, services, etc. were achieved. However, no monitoring cell was created to watch the progress of works. The periodical progress reports (physical & financial) received by the EIC from the field officers were neither scrutinized properly nor effective follow up action taken. The reports did not indicate time frame fixed for completion of schemes. As a result 60 sewerage schemes undertaken by the divisions during 1999-2004 and 25 schemes more than five year old remained incomplete. Funds were not earmarked for completing the left out works resulting in non-commissioning of schemes.

The works under YAP were monitored in YAP wing functioning in the office of the EIC, Public Health and the quality of water was monitored by the HSPCB. The State Government was to constitute Citizen Monitoring Committee (CMC) for each town, as per directive of the National River Conservation Directorate, Ministry of Environment and forest, GOI issued in March 1995, to monitor the progress of execution and timely completion of schemes, their operation and maintenance and to facilitate public awareness / participation. The CMCs were to meet once in a month. However, CMCs were constituted in only 6 out of 12 towns and in these towns also no meeting was held. Thus, CMCs were not functional.

Conclusions

3.2.33 The department had not completed any of the 85 sewerage and sanitation schemes (25 ongoing schemes prior to March 1999). Sewerage schemes were non-functional because treated effluents disposal works were not completed as was required according to the procedure laid by GOI. Due to non-consideration of already laid sewer, Rs 51.21 lakh were spent on additional work at Sirsa town. Sewerage facilities were provided to only 10 *per cent* of the population of Ambala City even after 20 years of the approval of sewerage scheme. Under YAP, treated effluent was being discharged in a drain carrying untreated effluent in Yamuna System. STPs constructed at Faridabad at a cost of Rs 51.27 crore remained underutilised. STPs failed to maintain prescribed level of pollutants in treated effluents in Faridabad and Gurgaon. Main Interception and Diversion sewers in five towns could not be made functional due to non-construction of internal sewer lines for carrying the sewage into main I&D sewer. Pollution Control Board failed to take effective action against large number of industrial units, which discharged untreated effluents into Yamuna system. All these factors led to non-achievement of goals of reducing water pollution and improving sanitary conditions.

Recommendations

- 3.2.34 Government should ensure that sewerage schemes are formulated in such a way that sewerage works are started from the final disposal points going backwards as laid down in the GOI's Sewage and Sewerage Manual;
- Works should be completed within prescribed time frame to make the sewerage system effective;
- Sewerage system should be provided for towns where this facility does not exist to achieve the objective of providing hygienic sanitary conditions;
- Government should ensure that capacity of STPs is utilised to the optimum level in order to treat the maximum sewage of concerned towns;
- Effective controls should be put in place to ensure that industrial units treat the effluents before releasing into drains; and
- It should be ensured that pollutants in treated effluents are brought down to the level of YAP standards.

These points were referred to the Government (June 2004); reply had not been received (August 2004).

Public Works Department

(Buildings and Roads Branch)

3.3 Pradhan Mantri Gram Sadak Yojana

Highlights

The primary objective of Pradhan Mantri Gram Sadak Yojana (PMGSY), a cent per cent Centrally sponsored scheme, was to provide connectivity by way of an all weather road to unconnected habitations in rural areas. Though there were only two unconnected habitations with a designated population of 500 persons and above in the State, these were not connected during 2000-04 notwithstanding the fact that the focus of the scheme was on new connectivity. The entire funds received under the scheme were spent by the Government on upgradation of roads though the scheme guidelines had provided only for 20 per cent of funds for upgradation and balance bulk of funds for new connectivity. Even in the roads, which were taken up for upgradation, there was a shortfall in achievements of targets as out of 67 roads taken up, only 41 were upgraded. Non-achievement of targets was also attributed to non-utilisation of funds by the State Government. Test-check of records brought to light the cases of designing of upgradation works with inadequate specifications, diversion of funds to other schemes, non-levy of penalty for delayed completion of works, non-obtaining of bank guarantees from contractors for the works executed for their maintenance, etc.

About 24 per cent of funds received from Government of India remained unspent, although one-third the length of roads targeted for completion remained incomplete/not taken up.

(Paragraph 3.3.6)

Department failed to connect even the two unconnected habitations in the State in spite of availability of funds. No plan to identify rural roads for their upgradation and coverage in a given time frame was prepared. Against the target of upgradation of 67 village roads, 41 were upgraded during 2000-04.

(Paragraph 3.3.8)

Chandimandir-Jallah road strengthened and widened at a cost of Rs 45.03 lakh had deteriorated within one year and six months of its completion and in certain reaches, the road was even non-existent due to inadequate specifications, non-provision of side drains, etc.

(Paragraph 3.3.9)

Contrary to the scheme guidelines, eight divisions did not obtain bank guarantees for Rs 3.58 crore to serve as performance guarantees for five years after completion of works.

(Paragraph 3.3.11)

Provincial Division, Naraingarh did not invoke penalty clause for delay in completion of works within prescribed time frame, which gave undue financial benefit of Rs 46.36 lakh to the contractor.

(Paragraph 3.3.12)

An expenditure of Rs 2.41 crore was incurred on works in violation of scheme guidelines on repair of road, adoption of rich specifications, charging of cost overrun to scheme and on other works/schemes.

(Paragraph 3.3.13)

Introduction

3.3.1 Rural road connectivity is a key component of rural development in promoting access to economic/social services and thereby generating increased agricultural income and productive employment opportunities. About 40 *per cent* of the habitations in the country are still not connected by all weather roads. With a view to redressing the situation, Government of India (GOI) launched a 'cent *per cent* Centrally sponsored' Pradhan Mantri Gram Sadak Yojana (PMGSY) in December 2000. GOI created Dedicated Road Fund by way of levy of cess at Rupee one per litre on high speed diesel. Fifty *per cent* of the cess levied is transferred to Ministry of Rural Development (MORD) to be used under PMGSY. In Haryana, of the total 6,876 habitations as of March 2000, only 2 were unconnected which had a population of 500 and above persons.

Programme objectives

3.3.2 The primary objective of PMGSY is to provide connectivity, by way of an all weather road (with necessary culverts and cross-drainage structures

operable throughout the year), to unconnected habitations in the rural areas in such a way that habitations with a population of 1,000 persons and above are covered in three years (2000-2003) and all unconnected habitations with a population of 500 persons and above by the end to the Tenth Plan Period (2007).

Organisational set up

3.3.3 The Commissioner and Secretary to Government Haryana, Public Works Department (PWD), Buildings and Roads (B&R), the administrative head at government level, is responsible for implementation of the programme. The Engineer-in-Chief (EIC), (B&R) is the Head of Department and is assisted by one Chief Engineer (CE) (Roads) at headquarters, eight Superintending Engineers (SEs) and 19 Executive Engineers (EEs) as a programme implementation units (PIU) in the field. Regional Engineering College, Kurukshetra is designated as the State Technical Agency (STA) and detailed cost estimates of all works to be executed under the scheme are required to be approved by them. Besides, there is one State level autonomous agency i.e. Haryana State Roads and Bridges Development Corporation (SRBDC) which is a nodal agency and receives funds from MORD and transfers them to the PIUs for their utilization on works.

Audit objective

3.3.4 The main focus during review study was to verify whether the objectives of connectivity of habitation in rural areas and upgradation of rural roads were achieved and the works were executed as per scheme guidelines. Important audit findings are discussed in the succeeding paragraphs.

Audit coverage

3.3.5 Records relating to the implementation of PMGSY for the years 2000-04 were test checked in the office of the EIC (B&R) and in eight Divisions¹ (out of 22 Divisions where the scheme was implemented) during February to May 2004.

The divisions for test-check were selected on the basis of expenditure incurred. Four divisions were those where expenditure exceeded Rs 6 crore each, two divisions, where expenditure ranged between Rs 3 crore and Rs 6 crore each and two divisions, where expenditure was less than Rs 1 crore. Thus, expenditure of Rs 37.59 crore, out of total expenditure of Rs 80.74 crore (47 per cent) was covered under test-check.

¹ Bridge Construction Division, Chandigarh, Provincial Divisions, Naraingarh, Bhiwani, Sirsa, Fatehabad, Narwana, Kurukshetra and Karnal.

Financial out lay and expenditure

3.3.6 According to scheme guidelines, the funds released by MORD, GOI to the State Government were to be kept in a separate bank account. PIUs were to issue account payees cheques in favour of the contractors, firms supplying material, etc.

Funding pattern not followed

GOI released funds through bank draft to SRBDC, which deposited them in their bank account opened exclusively for this scheme. SRBDC transferred the funds into treasury under 'Civil Deposits' on the basis of demands raised by PIUs for execution of works. Thereafter, the State Government issued letter of credit (LOC) on the basis of which PIUs withdrew funds for meeting expenditure on works. Depositing of funds into 'Civil Deposits' and following the system of LOC was contrary to the procedure laid down in the scheme.

Details of grants received from GOI, funds deposited into 'Civil Deposits' and expenditure incurred under the scheme during 2000-2004 were as under:

Year	Grants from GOI	Interest earned on fixed deposits of SRBDC	Fund deposited in Civil Deposits	Expenditure	Balance with SRBDC in bank at the year end
(Rupees in crore)					
2000-01	25.18		25.18	-	-
2001-02	30.29		-Nil-	14.28	30.29
2002-03	32.74		5.00	24.43	58.03
2003-04	21.01	4.36	57.14	42.03	26.26
Total	109.22	4.36	87.32	80.74	

Out of total central grant of Rs 113.58 crore including interest, Rs 80.74 crore were utilised

Out of a total of Rs 113.58 crore, available by way of grants and interest on fixed deposits, Rs 87.32 crore were deposited into government account (Civil Deposits) for implementation of the scheme and balance Rs 26.26 crore remained unspent with SRBDC in their bank account in the shape of fixed deposits, etc. Besides, Rs 6.58 crore remained unspent in Civil Deposits as of March 2004.

Interest earned on bank deposits remained unspent

3.3.7 As per guidelines, money accruing as interest was to be added to PMGSY fund. The State Government/SRBDC were required to intimate the interest amount to National Rural Road Development Agency (NRRDA) from time to time. Expenditure from the interest amount was to be guided by MORD's instructions. It was, however, noticed that SRBDC earned interest of Rs 4.36 crore (net) upto March 2004 on bank deposits but neither any intimation was sent to NRRDA nor MORD's instructions received for utilizing the interest component on specific activities/works. The amount was lying unspent in the bank account of SRBDC.

Execution of works

Plan to connect, unconnected habitations and upgradation of roads not prepared

3.3.8 The primary focus of the PMGSY was to provide all weather road connectivity to the unconnected habitations having designated population size. In Haryana, there were only two such unconnected habitations in 2000-01 but the department had not prepared any block level master plan to connect them by constructing new roads during 2000-04 though the connectivity of habitations was to be given priority as laid down in the scheme.

Against the target of upgradation of 67 roads, only 41 roads were upgraded

The department had taken up the works mainly for upgradation of roads for which also no plan had been prepared to identify rural roads requiring upgradation and their coverage in a given time frame. Phase-wise physical targets and achievements of upgradation works were as under:

Phase	Year	Number of road works		Percentage shortfall	Length of roads		Percentage shortfall
		Targets	Achievements		Targets	Achievements	
					In Kms		
I	2000-01	21	21	-	374.31	374.31	-
II	2001-03	32	20	38	382.71	256.79	33
II	2003-04	14	5 (In progress)	-	274.80	-	-

As evident from the above table, there was shortfall of 38 per cent in completion of roads in terms of number while the shortfall was 33 per cent in terms of length of roads during 2001-03.

Engineer-in-Chief attributed (June 2004) the shortfall to closure of quarries in Gurgaon and Faridabad areas and lack of response from contractors because of the condition of maintenance of works for five years under the scheme. The reply was not tenable as the condition of maintenance of works for five years was a common feature all over the country and the contractors could include the element of maintenance cost while quoting the rates against the tendered works.

Scrutiny of records of execution of works brought out wasteful expenditure on work designed with inadequate specifications, irregular expenditure, non-obtaining of performance bank guarantee for maintenance of works for five years, non-levy of penalty for delayed execution of works, execution of works in deviation of MORT&H specifications, irregular expenditure on repair of road, extra-expenditure due to adoption of rich specifications, cost overrun, execution of work without technical sanctions, etc. as discussed in the following paragraphs:

Designing work with inadequate specifications

Execution of works with inadequate specifications

3.3.9 The work 'widening and strengthening of Chandimandir-Jallah road' was completed in May 2002 at a cost of Rs 45.03 lakh. The road developed major defects within six months of its completion. The condition of road was bad and in certain reaches, the road was even non-existent.

The Director, Research and Design, PWD (B&R) Branch, Haryana during surprise inspection in November 2003 pointed out that the road was damaged

due to adopting of inadequate specifications i.e. specifications required as per California Bearing Ratio (CBR) value for such heavy/high frequency of vehicular traffic were not followed, non-provision of side drains and non-taking of action against stone aggregate washing plant owners who were causing over topping² of water on the road. It was noticed during audit that the Division had prepared and submitted a revised cost estimate to EIC, PWD (B&R) in March 2003 for the improvement/upgradation of this road, which proposed 570 mm crust thickness as per requirement at site in view of traffic intensity on this road. It was thus evident that the division failed to design the road with the required crust thickness initially.

In reply to Audit observation, the EE stated (August 2004) that due to paucity of funds, crust thickness was kept as 150 mm in the first phase against the requirement of 570 mm. The reply was not factually correct as funds were available under the scheme every year and crust thickness should have been designed as per site requirement.

Works executed in contravention of scheme guidelines

Irregular expenditure of Rs 64.59 crore on upgradation works

3.3.10 The scheme permitted the upgradation of existing roads in those districts where all the habitations of designated population size had been provided all weather road connectivity. However, upgradation was not central to the programme and could not exceed 20 *per cent* of the State's allocation where unconnected habitations in the State existed.

In Panchkula district, two unconnected habitations with a population size of 500 persons and above each existed. However, entire expenditure of Rs 80.74 crore incurred pertained to upgradation works against the permissible limit of Rs 16.15 crore (20 *per cent* of Rs 80.74 crore). The priority to be given to connectivity of habitations as per scheme guidelines was ignored by the department. Thus expenditure of Rs 64.59 crore was incurred in contravention of scheme guidelines.

Non-inclusion of work maintenance clause in the contract document

Bank guarantees for maintenance of works for five years not obtained

3.3.11 As laid down in the scheme, the roads constructed under this programme were expected to be of very high standard requiring no major repairs for atleast five years after completion of construction. In order to realise this objective, suitable clause relating to performance guarantee/routine maintenance was to be included in the Contract Documents. The department should have included a clause regarding performance guarantee/routine maintenance in the Notice Inviting Tenders (NIT) and accordingly should have obtained bank guarantees valid for five years from the contractor equivalent to 10 *per cent* of the contract price (five *per cent* from March 2003). However, eight Divisions did not include the requisite clause in

² Over topping means overflow of water on the road.

the NIT and thus could not obtain adequate bank guarantees from the contractors as detailed below:

Sr. No.	Name of PWD (B&R) division	Contract price of works	Amount of bank guarantees		
			Required	Obtained	Deficit
(Rupees in lakh)					
1	Bridge Construction Division, Chandigarh	54.04	5.40	-	5.40
2	Provincial Division, Naraingarh	463.59	46.36	-	46.36
3	Provincial Division - I, Sirsa	655.29	65.53	-	65.53
4	Provincial Division, Bhiwani	482.03	48.20	6.73	41.47
5	Provincial Division, Fatehabad	619.02	61.90	18.00	43.90
6	Provincial Division, Narwana	92.64	9.26	-	9.26
7	Provincial Division - I, Karnal	813.06	81.31	-	81.31
8	Provincial Division - II, Kurukshetra	457.98	45.80	-	45.80
		378.62 ³	18.93		18.93
	Total	4,016.27	382.69	24.73	357.966

The concerned EEs (Chandigarh, Narwana, Kurukshetra II and Karnal divisions) stated (February/May 2004) that since there were no guidelines regarding obtaining of bank guarantees, the clause was not included in the tenders. The reply was not convincing as the condition of obtaining bank guarantees for five years was clearly envisaged in the PMGSY guidelines.

Non-levy of compensation

3.3.12 The EE, Provincial Division, Naraingarh allotted (July 2002) the work 'providing, widening and strengthening of existing road from Naraingarh-Sadhaura to Badhuli and Naraingarh-Sadhaura road to Jeolly (Ambala district)' to a contractor at an estimated cost of Rs 4.64 crore. The work was to be completed within nine months i.e. by April 2003, failing which, the contractor was liable to pay compensation equal to 10 per cent of estimated cost. The contractor applied for extension in time limit upto April 2004 (which was awaited as of December 2003) on the grounds that there was delay in installation of hot mix plant, for want of 'No Objection Certificate' from Pollution Control Board, increase in rate of royalty on stone metal, severe winter and rainy seasons and delay in department's decision for providing "A" type seal coat instead of "B" type.

Accordingly, the EE recommended the time-extension case to the SE which was injudicious as increase in rates of royalty, weather conditions, installation of hot mix plant, etc. were normal features and should have been taken into account by the contractor at the time of contract agreement. Further, provision of laying of 'A' type seal coat was already provided in the agreement.

³ Work was awarded in June 2003, performance bank guarantee was required at the rate of five per cent of contract price.

The agency failed to complete the work within prescribed time frame. Till June 2004, 98 per cent of the work had been completed and payments were released regularly to the contractor. The division was required to recover Rs 46.36 lakh as penalty under clause 2 of the contract agreement which was not done. The EE stated (March 2004) that all the above mentioned points had been taken into account while recommending the case. He further intimated (August 2004) that approval of the extension was still awaited. The reply was not acceptable, as the grounds on which the extension was sought did not merit extension as these conditions were already envisaged and covered in the contract agreement.

Expenditure in violation of scheme guidelines

3.3.13 A scrutiny of records revealed that an expenditure of Rs 2.41 crore was incurred on works in violation of scheme guidelines on repair of road, adoption of rich specifications, charging of cost overrun to scheme and diversion of funds to other schemes as discussed below:

Expenditure on repair of road in violation of scheme guidelines

• The scheme did not permit repairs to black topped or cement roads even if the surface condition was bad. It was, however, observed that a proposal of work, which essentially entailed only repairs to an existing road was also got included under PMGSY. Provincial Division, Naraingarh had got special repair done on 'Naraingarh-Sadhaura road to village Badhuli kms 4 to 17' during 2002-04 at a cost of Rs 0.21 crore in violation of scheme guidelines.

Extra expenditure of Rs 0.34 crore incurred due to adoption of rich specifications

• In seven works relating to four divisions, it was noticed that in the cost estimates, there was provision of seal coat 'B' type using 0.06 cum crushed sand and 6.8 kg bitumen for 10 sqm, as per MORT&H specifications. The Regional Engineering College (REC), Kurukshetra (State Technical Agency) and Central Road Research Institute (CRRI), New Delhi also approved the specifications. In contravention of the above specifications, however, this item was replaced by the Engineer-in-Chief with the item "laying and providing 'A' type seal coat by using 9.8 kg. Bitumen" for 10 sqm area without the approval of MORT&H which led to an extra expenditure of Rs 0.34 crore.

The EEs, Provincial Division II, Kurukshetra and Karnal intimated (April-May 2004) that change in specification had been made by their head office and there was no need of approval from any other authority. The reply was not tenable as the works under the scheme were to be got executed as per MORT&H specifications.

Cost overrun to be borne by the State Government, was charged to PMGSY

• As laid down in scheme guidelines, if the value of tenders received was higher than the cost estimates approved by MORD, the difference would be borne by the State Government. In Provincial Divisions, Bhiwani and Kurukshetra-II, an expenditure of Rs 8.60 crore was incurred on execution of

five works⁴ against the approved cost of Rs 7.78 crore resulting in cost overrun of Rs 0.82 crore. The entire expenditure in contravention of scheme guidelines was charged to PMGSY though the difference was to be borne by the State Government.

Diversion of funds of Rs 1.04 crore towards the schemes not covered under PMGSY

◦ The scheme envisaged that funds released by MORD, GOI to the State Government were to be kept in a separate bank account and programme implementation units were to issue account payees cheques in favour of the contractors/suppliers of material. Though LOC system was not permitted under the scheme, the State Government introduced LOC system as per the rules relevant for State Government schemes. Even the state rules were not followed properly. Under State financial rules, diversion of LOC from one work/scheme to another work/scheme was prohibited. However, in four⁵ divisions, Rs 1.04 crore were diverted (for other works) out of LOC of Rs 15.82 crore received under PMGSY during 2000-04 in total disregard to accepted State Financial Rules.

While admitting the facts the concerned EEs stated (March-April 2004) that the funds were utilised on some other urgent works.

Execution of work without technical sanction

3.3.14 As laid down in the scheme, the clearance of a project by the Ministry would not imply administrative or technical sanction of the proposals. Public Works Code provides that no work should be commenced unless detailed cost estimates were prepared and technically sanctioned by the competent authority. Thus technical sanctions were required to be obtained under this scheme also. However, test-check revealed that Rs 23.20 crore were spent by six⁶ divisions against 10 works during 2001-2004 without obtaining technical sanction of the competent authority.

⁴ Bhiwani to Sangarwas road, Bawanikhera to Sorkhi road, Bodri-Mahindergarh road, Ladwa-Mustafabad road and Thanesar to Kirmich road.

⁵

Sr. No.	Name of Division	Period	(Rupees in Crore)	
			LOC issued	Amount diverted
1.	Provincial Division - I Sirsa	2000-04	5.55	0.53
2.	Provincial Division - II Sirsa	2000-04	2.17	
3.	Provincial Division, Faridabad	2001-04	6.85	0.19
4.	Provincial Division, Narwana	2000-02	1.25	0.32
	Total		15.82	1.04

⁶ Provincial Division-I, Karnal: Rs 8.12 crore, Provincial Division, Fatehabad: Rs 6.63 crore, Provincial Division-II, Kurukshetra: Rs 1.66 crore, Provincial Division-I, Sirsa: Rs 1.80 crore, Provisional Division, Bhiwani: Rs 1.35 crore and Provisional Division, Naraingarh: Rs 3.64 crore.

Non-recovery of Sales Tax

3.3.15 According to Haryana General Sales Tax Act, 1973, sales tax at the rate of 10 per cent was leviable on bitumen. In a meeting of SEs and EEs held in August 2001, under the Chairmanship of Financial Commissioner and Secretary to Government Haryana, PWD (B&R), it was decided that where the contractors were arranging bitumen at their own level and were paying sales tax at the rate of four per cent, the difference i.e. six per cent would be recovered from their bills.

In Provincial Divisions, Bhiwani and Fatehabad, in respect of works 'providing, widening and strengthening of Bawani Khera-Jamalpur road upto District boundary kms 7.40 to 16.14' and 'upgradation of road by providing, laying and strengthening at Fatehabad-Hasanpur road' executed during 2002-04, recovery of Rs 2.50 lakh and Rs 6.81 lakh respectively towards difference of sales tax had not been made from the contractors so far (March 2004).

Monitoring

Ineffective
monitoring

3.3.16 The State Government/department did not monitor the progress of financial performance properly as the funding and accounting pattern laid down in the scheme was not adhered to; and on the contrary, LOC system was followed resulting thereby in large funds having remained unutilised. The execution/completion of work was not monitored effectively by the Engineer-in-Chief as targets for execution of works were not achieved, performance bank guarantees for maintenance of works for five years were not obtained, works were executed in deviation of prescribed specifications and cases of cost overrun existed. Periodical inspections of works were to be carried out by quality control units/independent Executive Engineers of the State Government and random tests of material used were also to be conducted in laboratories but these aspects were not monitored.

Conclusions

3.3.17 Though the focus of the scheme was on connectivity of the habitations, the entire expenditure was incurred on upgradation of roads. The only two habitations requiring connectivity in the State had not been connected. Even for upgradation works, no block level master plan was prepared as envisaged in the scheme. Further, only 41 works were completed against the target of 67 works as a result of which huge funds remained unutilised. Scrutiny of record relating to execution of works brought out the cases of execution of works in violation of MORT&H specifications, non-levy of penalty for delay in completion of works, non-obtaining of performance bank guarantees from contractors for maintenance of works for five years, extra expenditure due to adoption of rich specification, etc. Thus the scheme was not implemented as per GOI guidelines.

Recommendations

3.3.18 Public Works Department (Buildings and Roads) should:

- prepare appropriate plan to connect the unconnected habitations and a time bound programme for completion of upgradation works, so that the funds do not remain unspent;
- ensure that the works are executed as per MORT&H specifications;
- ensure that delays in completion are avoided and wherever delays occurred, penalty should be levied as per codal provisions; and
- make arrangements for obtaining performance bank guarantees for maintenance of works for five years from the contractors as per scheme guidelines and ensure inclusion of this clause in all contracts.

These points were referred to Government in July 2004: their reply had not been received (August 2004).

Revenue Department

3.4 Working of Shivalik Development Board

Highlights

Shivalik Development Board was constituted with the objective of raising the living standards of the people in the areas of Shivalik range through integrated development of hilly and semi-hilly areas. Thrust was on creation of infrastructure viz. construction/repair of roads, construction of buildings for health centres, schools, colleges, installation of tubewells, etc. The Audit study revealed that the Board had not functioned in an efficient manner. Its members were high ranking Government nominees with the State Chief Minister at the helm of affairs besides Ministers/Chief Secretary and Secretaries of various departments being ex-officio members. Although the original intention of having high profile nominees was to provide special focus to the development of the area, it so turned out that none of the officials could provide adequate attention to monitor the progress of works since the Board failed to meet regularly. Manpower shortage with scheme implementing departments, especially Health and Education, was discussed at meetings but was not pursued effectively with the State Government for filling up of the vacant posts. The Board failed to formulate specific schemes on long-term basis to achieve the objective of raising the living standard of the people in the area. Physical targets/time schedule for completion of works were not fixed as a result of which execution of works got delayed and funds remained unspent with the implementing agencies. A large number of tubewells remained non-functional for want of repairs. Co-ordination Committee required to monitor the schemes did not hold its meeting even once during the last five years as the Government failed to appoint the President of the Committee. The Board had never evaluated the extent of improvement brought about in the standard of living of people in the area as a result of implementation of the various programmes/schemes. The basic intent of having a separate Board to provide focused development of the area, therefore, remained unachieved. Lackadaisical approach to implementation coupled with the unwieldy nature of the Board, thus, presents a case before the Government for consideration of winding up of this Board and instead pursuing the development of the area through the normal implementing departments, who, in any case, are the implementing agencies for the Board.

- The Board did not formulate schemes/programmes on long-term basis specifying aims, objectives and targets for raising the standard of living of the people.

(Paragraph 3.4.8)

- More than 90 per cent of the funds (Rs 3.15 crore) received from Government of India in 2001-02 for installation of tubewells, remained unutilized due to non-formulation of schemes.

(Paragraph 3.4.12)

- In five divisions, 44 works were got executed at a cost of Rs 4.83 crore without obtaining technical sanction of estimates from competent authority.

(Paragraph 3.4.9)

- Abandonment of two roads, after execution of earthwork at a cost of Rs 60.40 lakh, rendered the entire expenditure wasteful.

(Paragraph 3.4.10)

- Out of 72 deep tubewells to be handed over to village Farmers' Co-operative Societies after their repair, only 20 were handed over and the remaining 52 were lying non-functional/un-repaired.

(Paragraph 3.4.14)

- Co-ordination Committee, which was responsible for monitoring the progress of implementation of schemes, did not meet even once during 1999-2004.

(Paragraph 3.4.22)

- Shivalik Development Agency (SDA) did not evolve any system to watch actual utilization of funds released to implementing agencies as a result of which Rs 15.03 lakh remained unspent with an implementing agency and the same was not in knowledge of the SDA.

(Paragraphs 3.4.7)

Introduction

3.4.1 Haryana Government constituted in March 1993 Shivalik Development Board (the Board) and its associate agencies known as Co-ordination Committee and Shivalik Development Agency (SDA) for overall integrated development of hilly and semi-hilly areas of Shivalik ranges in Panchkula, Ambala and Yamunanagar districts.

Shivalik Development Agency (SDA) is the executive agency for development programmes and the State Government provides funds to it.

Programme objective

3.4.2 The primary objectives of the Board are to strengthen the infrastructure and to raise the living standards of the people of these areas by implementing various schemes in the fields of agriculture, floriculture, herbal plantation, education, public health, buildings and roads, irrigation, watershed management, banking, tourism, forest, poultry, animal husbandry and wild life, etc.

To achieve its objectives, the Board released funds to the concerned departments mainly for construction/repair of roads, school buildings, health centres, installation/repair of tubewells, improvement of village ponds, construction of village harvesting dams, etc.

Organizational set up

3.4.3 The Board is an Apex Policy Making Body and exercises control with regard to formulation and review of special schemes in Shivalik area. A Coordination Committee (23 member body) monitors the implementation of schemes and is to report regularly to the Board.

Shivalik Development Agency (SDA) executes development programmes through implementing agencies as given in *Appendix XVII*.

The composition of the Board and other agencies is indicated below:

Shivalik Development Board

Chairman: Chief Minister

Members

- Ministers and Administrative Secretaries of the following departments
 - Finance
 - Cooperation
 - Forests
 - Buildings and Roads
 - Fisheries
 - Irrigation and Power
 - Development
 - Education
 - Industry
 - Animal Husbandry
 - Health
 - Public Health
 - Tourism
- Chief Secretary
- Member of Parliament representing the area
- Members of Legislative Assembly representing the area

Co-ordination Committee

President

To be nominated by the Government

Vice President

Commissioner, Ambala Division

Members

- Heads of Departments concerned with development programmes;
- Deputy Commissioners of the districts concerned; and
- Chief Executive Officer of the Shivalik Development Agency.

Shivalik Development Agency

Chairman

Commissioner, Ambala Division

Members

- Deputy Commissioners/Additional Deputy Commissioners of the districts concerned;
- Heads of district level offices of the districts concerned; and
- Members of Legislative Assembly representing the area of the districts concerned.

Audit objective

3.4.4 The review of the functioning of the Board was undertaken for assessing the extent of integrated development of hilly/semi-hilly areas of Shivalik range in the fields of agriculture, education, public health, roads, irrigation, etc. Though the Board did not prescribe specific indicators for the purpose of evaluation of improvement in the living standard of the people in the area, following parameters were adopted:

- formulation of schemes for area development on long term basis;
- utilisation of funds by implementing agencies;
- completion of infrastructure within prescribed time frame;
- proper utilisation of infrastructure created;
- number of villages provided electricity facilities; and
- adequacy of monitoring at various levels.

Audit coverage

3.4.5 Records relating to the working of the Board for the period 1999-2004 were reviewed through test-check of records during January-April 2004 in the offices of the CEO and 13¹ implementing agencies of 4 Blocks (out of 36 implementing agencies functioning in 11 Blocks) as indicated in *Appendix XVII*.

Main criteria for selection of units for test-check was the magnitude of expenditure incurred and critical importance of activities in relation to development of the Shivalik area.

Financial management

Budget and expenditure

3.4.6 The details of budget proposals, funds released by Government and funds released by SDA to various implementing agencies for the period 1999-2004 were as under:

Year	Budget estimate/Funds provided by Government to SDA	Funds released by SDA to implementing agencies	Actual expenditure
(Rupees in crore)			
1999-2000	1.65	1.59	1.59
2000-01	5.00	5.05	4.95
2001-02	8.00	5.81	4.93
2002-03	5.90	5.75	4.83
2003-04	6.50	6.32	2.70
Total	27.05	24.52	19.00

As evident from the above table, out of the total grant of Rs 27.05 crore, only Rs 24.52 crore were released to various implementing agencies. Balance amount of Rs 2.53 crore was kept by the SDA in saving bank accounts/FDRs in various banks. It was noticed that funds to the tune of Rs 5.51 crore (refer *Appendix XVIII*) though released, remained unspent with the implementing agencies as discussed below:

Rupees 2 crore for water supply scheme and Rs 0.80 crore for water harvesting dams remained unutilised

Rupees two crore were paid (September 2003) to the SE, Public Health, Ambala Circle for water supply scheme and Rs 80 lakh (Rs 35 lakh in October 2002 and Rs 45 lakh in March 2004) were paid to Haryana Police Housing Corporation for construction of 12 water harvesting dams. These activities had not yet been taken up (March 2004) and the funds were lying with these agencies. Besides, funds ranging between Rs 0.05 crore and Rs 0.98 crore

¹ Public Works Department (Buildings and Roads) Divisions at Naraingarh, Panchkula and Yamunanagar, Public Health Division at Ambala, Panchayati Raj Division at Ambala, Divisional Forest Officers, Territorial and Kandi at Yamunanagar, Panchkula, District Horticulture Officer, Yamunanagar, District Fisheries Officer, Ambala, Haryana Police Housing Corporation, Panchkula, Haryana Vidyut Prasaran Nigam, Naraingarh and Haryana State Minor Irrigation (Tubewells) Corporation.

were lying unutilised with eight implementing agencies aggregating amount of Rs 2.71 crore as indicated in *Appendix XIX*.

Non-maintenance of expenditure control register

3.4.7 The Chief Executive Officer, SDA was responsible for monitoring the progress of expenditure incurred by implementing agencies through a consolidated expenditure register, to be prepared on the basis of monthly physical and financial progress reports furnished by individual implementing agencies. However, neither was such a register maintained during 1999-2004 nor were monthly reports received from the concerned agencies. Non-maintenance of such an important document was fraught with the risk of serious irregularities such as huge unutilised amounts with implementing agencies remaining unnoticed. As a result of non-maintenance of expenditure control register, an unspent amount of Rs 15.03 lakh lying with a Division did not come to the notice of SDA as discussed below:

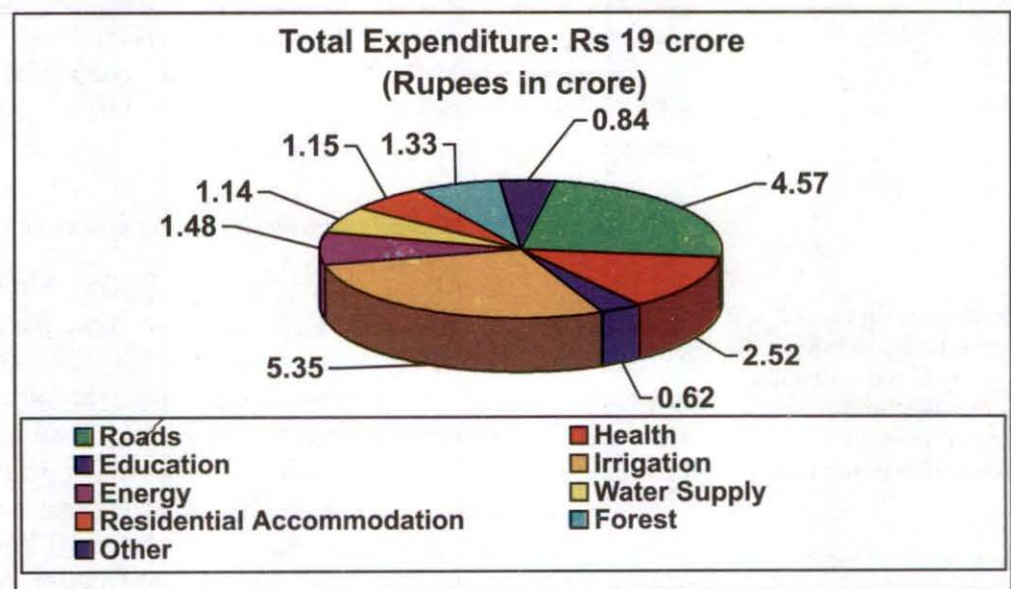
The Executive Engineers (EEs), PWD (B&R), Ambala released Rs 35.30 lakh to Executive Engineer, Electrical Division, Ambala during 1996-2003 for 17 works pertaining to electric installations though no cost estimates had been prepared for these works. The works were completed by spending Rs 20.27 lakh and unspent balance of Rs 15.03 lakh was lying with the Electrical Division. The fact of the unutilised amount did not come to the knowledge of SDA, as the entire amount released was debited to the concerned works by PWD (B&R) Divisions as expenditure. On being pointed out in Audit, Rs six lakh were refunded to the SDA in June 2004.

System to Watch utilisation of funds not evolved

Unutilised amount of Rs 15.03 lakh remained with Electrical Division even after completion of works

Programme Implementation

Sector-wise/activity wise expenditure was as shown in graph below:



A review of the programme implementation revealed cases of non-formulation of specific schemes, non-fixation of physical targets, execution of works

without technical sanctions, non-completion of works, non-construction of link roads, non-installation of tubewells, unfruitful expenditure due to non-laying of pipelines, defunct tubewells, non-providing of infrastructure for power supply, delay in construction of primary health centres, inadequate coverage of income generating schemes, inadequate focus upon manpower management, etc. These are discussed below:

Non-formulation of specific schemes

Detailed survey for formulation of schemes not conducted

3.4.8 Co-ordination Committee was to formulate specific schemes, which could raise the economic status/living standard of the people. The Committee was also to identify prospective beneficiaries belonging to weaker sections in particular. However, no scheme was formulated either by the Co-ordination Committee or by the SDA. The works for execution were selected from the proposals submitted by the concerned Deputy Commissioners each year.

The CEO, SDA while admitting the facts stated (August 2004) that the schemes could not be formulated as the Co-ordination Committee was non-functional.

Non-fixation of physical targets

The SDA did not conduct any survey during 1999-2004 and therefore schemes formulated by the Board were not based on any techno-economic study or other relevant details. Budget proposals submitted by SDA were not supported by the estimates of the respective departments/implementing agencies. The Board did not fix any physical targets or time schedule in respect of any scheme and thus achievements were not comparable in audit. Further, no parameters were set by the Board to measure the effectiveness of the implementation of the programme.

Execution of works without technical sanction

3.4.9 As per codal provisions, before commencement of construction works, detailed cost estimates should be technically sanctioned by competent authority. Five EEs, PWD (B&R) Divisions at Ambala, Panchkula and Yamunanagar spent Rs 4.83 crore on construction of 44 works (33 link roads, 6 PHCs and 5 school rooms) in 11 blocks during 1999-2004 without obtaining technical sanctions of the cost estimates.

Non-completion of roads rendered the expenditure unfruitful

Earthwork on roads worth Rs 60.40 lakh was rendered unfruitful as balance funds were not received for completion of the roads

3.4.10 The Board accorded (June 1995) administrative approval for construction of two link roads viz link road from village Badyal to Raji Tikkari and Tikkartal to Meerpur for Rs 1.40 crore and Rs 1.04 crore, respectively. For this purpose, Rs 50 lakh were provided by the SDA during 1996-2002 (Rs 40 lakh in March 1997 and Rs 10 lakh in 1998-99) to EE, Provincial Division, Panchkula. The Division took up the works without obtaining technical sanction to their cost estimates and executed upto earth level (7.5 km out of 12 km and 2 km out of 10 km) during August 1997 to March 2000 at a cost of Rs 60.40 lakh. Thereafter, further execution of works was stopped because funds were not provided by SDA. The SDA did not provide funds because the Deputy Commissioner failed to send demands for

funds to complete the work. The roads were in neglected condition and chances of the earthwork getting washed away could not be ruled out due to vagaries of weather. Executive Engineer, Provincial Division, Panchkula stated (February 2004) that revised cost estimates of Rs 2.02 crore for construction of road from Budyal to Raji Tikkari had been submitted to Government for approval which was still awaited. No action was indicated in the reply with respect to completion of Tikkartal to Meerpur road. However, reasons for starting the work without obtaining technical sanctions were not furnished.

Non-construction of link road

3.4.11 The Board accorded administrative approval for construction of link road from Tikker to Bharat in September 2001 for Rs 44 lakh for which the SDA released Rs 7 lakh to the EE, Provincial Division, Panchkula in July 2001. The work was transferred to Haryana Police Housing Corporation (HPHC), Panchkula in May 2003. It was noticed that the division did not prepare detailed cost estimates and without obtaining technical sanction to cost estimates, Rs. 0.87 lakh were spent on survey, advertisement, calling of tenders, etc. upto May 2003. Neither had the balance amount of Rs 6.13 lakh been transferred to HPHC nor had the remaining funds of Rs 37 lakh, after according administrative approval, been released (March 2004).

Non-installation of deep tubewells

3.4.12 The Board approved an outlay of Rs 3.15 crore (out of Central assistance of Rs four crore received in July 2001) for installation of deep irrigation tubewells to facilitate irrigation by farmers in the project area. For this purpose, HSMITC was to prepare a detailed project report indicating the number of deep tubewells to be installed and their estimated cost. Accordingly, HSMITC prepared (December 2001) the project report for installation of 80 tubewells at an estimated cost of Rs 14.73 crore. This, however, was not approved by the Board for want of funds of the scale cited in the project report. SDA, while retaining Rs 2.15 crore with them, released Rs one crore during 2001-02 to HSMITC. It was noticed that the HSMITC reported to SDA an expenditure of Rs 27 lakh for conducting survey but no supporting expenditure details/records were furnished. Rupees 60 lakh were returned to SDA in September 2003 and balance of Rs 13 lakh was still with HSMITC, which had been wound up with effect from July 2002. Thus Central assistance of Rs 2.88 crore (SDA: Rs 2.75 crore and HSMITC: Rs 0.13 crore) under this scheme remained unutilized (March 2004). Due to non-preparation of detailed cost estimates for the works by HSMITC, the activity was not taken up and no deep tubewell was sunk and the farmers of the area were deprived of the intended benefits.

Unfruitful expenditure due to delay in laying of pipeline

3.4.13 SDA released Rs nine lakh in April 2000 to HSMITC for extension of pipeline from 1500 ft to 3000 ft in Pinjore block to use the full potential of the tubewells in the area. HSMITC utilized Rs 0.13 lakh on another work (laying of pipeline upto 1500 ft). The work of extension of pipeline on the stretch

Due to non-formulation of scheme, funds remained unspent

Non-execution of extension work, despite availability of funds

between 1500 ft and 3000 ft, however, was not done and balance Rs 8.87 lakh were lying in bank in the form of FDR in the joint account of EE, HSMITC and CEO, SDA till date (May 2004). Due to non-laying of pipeline from 1500 ft to 3000 ft, full potential of tubewells in the area could not be utilized. Thus due to slackness on the part of HSMITC coupled with absence of monitoring on the part of the Board led to denial of intended benefits of the scheme to the inhabitants of Shivalik area.

Non-repairing of tubewells

Large number of tubewells lying non-functional for want of repair

3.4.14 The Board released Rs 43.63 lakh to HSMITC in 1997 for repair of 72 tubewells. In July 2001, the Board, further decided that possession of 72 damaged tubewells, after repair, should be handed over by HSMITC to the Village Farmers' Co-operative Societies. However, the HSMITC handed over only 20 tubewells; the remaining 52 damaged tube wells were neither got repaired nor handed over to the Farmers Co-operative Societies as of May 2004. The SDA had no clue whether the 20 handed over tubewells were functioning. Specific reasons for non-repair of 52 tubewells could not be ascertained from records. Non-functioning of the tubewells defeated the very objective of the scheme.

Absence of details of expenditure spent on creation of infrastructure for power supply

Diversion of funds and non-submission of vouchers

3.4.15 To provide power infrastructure for electricity facility in the remote area of Shivalik range, the Shivalik Development Board released Rs 1.03 crore to Haryana State Electricity Board during February 1995 to July 2000. The Electricity Board submitted expenditure account for Rs 99.80 lakh for electrification works carried out in 351 *dhanies* of Morni block and unspent balance of Rs 2.80 lakh was returned (January 2003) to SDA. Of the above expenditure, Rs 52.29 lakh were spent for creation of infrastructure for power supply but Rs 47.51 lakh were irregularly spent on purchase of electric material instead of on infrastructure for power supply. Further, vouchers/documents in support of these purchases were also not available on record of the EE, Haryana Vidyut Prasaran Nigam (HVPN), Naraingarh though the payment was stated to have been made to the respective firms. Executive Engineer, HVPN stated (February 2004) that neither vouchers in support of purchase of material nor any inspection note was submitted to the division by the purchase committee (consisting of Executive Engineer, Accounts Officer, Sub-Divisional Officer and a nominee of the Additional Deputy Commissioner). In the absence of details of expenditure, the extent to which funds were spent on creation of infrastructure for power supply remained unverified in audit.

Non-electrification of dhanies due to non-conducting of survey

Survey for electrification of dhanies not conducted

3.4.16 To provide electricity to the people living in *dhanies* in rural areas of Morni Block (District Panchkula), the Board directed (December 2001) the DC, Panchkula to constitute joint survey team of HVPN and revenue staff to carry out a survey of all *dhanies* having a minimum habitat of five households. The HVPN was to frame a self contained proposal with correct cost estimation

for seeking requisite funds for the electrification of the unelectrified *dhanies*. No such survey was conducted so far (March 2004) and the work of electrification of remaining *dhanies* could not be taken up. Of the 658 *dhanies* in Morni block, 351 *dhanies* were electrified as of December 2000 but the remaining 307 *dhanies* (which might have increased over the years) had not been electrified so far and the people living in these *dhanies* were deprived of the intended benefits.

Delay in construction of Primary Health Centres

Buildings' construction cost escalated due to delay in their completion

3.4.17 The Board released Rs 2.52 crore to PWD (B&R) during 1999-2004 for construction of Primary Health Centre buildings for promotion of health service activities in Shivalik area.

SDA released to EEs, PWD (B&R) Division, Yamunanagar, Panchkula and Ambala Rs 2.66 crore (Rs 14 lakh prior to 1999 and Rs 2.52 crore thereafter) during 1997-2004 for construction of five² PHCs but no time schedule was fixed for their completion. Further, detailed cost estimates for obtaining technical sanction were not prepared in respect of any of the PHCs. Till March 2004, only two³ PHCs had been completed after incurring an expenditure of Rs 35.05 lakh and the remaining three had not been completed even after lapse of three to four years. The administrative approvals accorded initially for Rs 1.25 crore in respect of these three incomplete works had been revised to Rs 1.61 crore in the years 2001-04, an increase of 28 per cent. Besides, the delay in completion of works had adverse impact on making health service activities available in the Shivalik area.

Decrease in production of vegetables, mushrooms and spices

3.4.18 The Board took up the development of horticulture through Horticulture Department. Rs 4.90 lakh were released to District Horticulture Officer (DHO), Yamunanagar during 2001-02 for supply of certified seeds at subsidized rates to the farmers for cultivation of garlic, ginger, mushroom and vegetables to raise the income of the people of the area. As a result of supply of certified seeds, the production of vegetables, mushrooms and spices increased from 24,500 tonnes, 11.50 tonnes and 3,200 tonnes respectively in 2000-01 to 55,000 tonnes, 22 tonnes and 6,050 tonnes respectively in 2001-02. However, the production in subsequent years declined and dwindled to 46,800 tonnes for vegetables, 18.50 tonnes for mushrooms and 5,700 tonnes for spices in 2003-04 as the scheme for providing certified seeds was discontinued after 2001-02. Reasons, if any, apart from discontinuance of the scheme, for the declining trend were not intimated by the DHO and the same was mainly attributed to the discontinuance of scheme.

Even though this was the only scheme, which was directly related to increasing the income of farmers, the scheme was discontinued without any justification.

² PHC, Kot (Panchkula), Sadhaura (Yamunanagar), Pathreri, Majri and Panjokhra (Ambala).

³ PHC, Kot and PHC, Pathreri.

Inadequate coverage of income generating schemes

Schemes in the field of tourism, poultry, banking and wild life were not taken up

3.4.19 The Board was constituted for integrated development of area in Shivalik ranges by providing self-employment to improve the living standard of the people. However, no schemes in important sectors which could increase the income of the people such as tourism, poultry development, banking and wild life, were taken up though activities in these fields were envisaged in the objectives of the Board.

The CEO, SDA stated (August 2004) that the schemes under these sectors could not be undertaken due to non-receipt of proposals from the concerned departments through DCs. The reply is indicative of absence of monitoring at various levels.

Inadequate focus upon manpower management

Large number of posts remained vacant in Education and Health Departments

3.4.20 The Board had no manpower of its own for execution of schemes/programmes. The schemes were implemented through other concerned Government Departments, which had their own sanctioned manpower.

The Board had reviewed the vacancy position of such departments from time to time. The maximum shortage of manpower was in Education and Health Departments as indicated below:

Education Department	2000-01				2003-04			
	Panchkula	Ambala	Yamuna-nagar	Total post vacant	Panchkula	Ambala	Yamuna-nagar	Total posts vacant
Principal/ Headmaster	22	87	42	151	23	88	57	168
Lecturers/ Teachers	16	221	278	515	16	398	306	720
Total	38	308	320	666	39	486	363	888
Health Department	2000-01				2003-04			
Sr. MO/MO	1	2	3	6	1	3	-	4
Other staff	37	26	38	101	36	31	36	103
Total	38	28	41	107	37	34	36	107
Grand total	76	336	361	773	76	520	399	995

Note: Manpower position indicated in the above table is of blocks of three districts falling under the Shivalik area.

The Board suggested at each meeting to these departments to fill up the vacant posts expeditiously but the vacancies continued to persist, impacting upon efficient implementation of scheme and services.

Large number of vacancies (888) at the critical level i.e. in the cadre of head of institutions/teaching staff (principals, headmasters, lecturers and teachers) had adverse consequences on extent and quality of education that was being imparted. Similarly, health care was another critical area where large vacancies of medical/para medical staff existed, adversely affecting the health care services.

The Board, however, failed to get the vacant posts filled by pursuing the matter with the Government.

Internal audit

3.4.21 No internal audit system existed in the Board.

Monitoring

Inadequate
monitoring

3.4.22 The Board was to meet twice a year for framing policies and exercising control over the formulation and implementation of schemes. Against the requirement of 10 meetings, only four meetings were held during 1999-2004. The Board failed to formulate any policy for formulation and implementation of specific programmes for raising the income and living standards of the people of Shivalik area.

Co-ordination Committee responsible for monitoring the progress of the schemes and reporting it regularly to the Board, was required to meet at least quarterly but it did not hold any meeting during 1999-2004 and was thus non-functional.

Shivalik Development Agency, the main executive body of the Board responsible for getting the actual programmes implemented, failed to monitor the progress of works and proper utilization of funds. Monthly progress reports were not being obtained from the implementing departments. Since there was no regular CEO or the Administrative Officer or project Officer(s) in place, the part time officers apparently could not devote adequate time and attention to the activities of the Board. It was observed in Audit that SDA held only five meetings against the requirement of having 20 meetings to monitor the progress of activities during 1999-2004.

Thus despite the high profile Board and highest level of nominees in the Board and the State Level Co-ordination Committee, the Board was not managed very professionally and its functioning was far from satisfactory, both, for programme implementation and financial management, as brought out in the previous paragraphs.

Evaluation

Impact of the
schemes not
evaluated

3.4.23 Evaluation of the schemes implemented by various departments/agencies had not been got done from any independent/outside agency during 1999-2004 to assess the impact of the schemes. The Board did not evaluate the extent of improvement, if any, in the living standard of the people of Shivalik area as a result of implementation of the schemes.

Conclusions

3.4.24 The Board did not formulate schemes/programmes on long term basis to achieve its aims, objectives and scope for raising the standard of living of the people of Shivalik area. Funds remained unutilised due to non-formulation of schemes. Delay/non-execution of works led to non-achievement of the desired objectives. Large number of tubewells remained non-functional for want of repairs. Co-ordination committee did not hold its meeting even once during last five years to monitor the implementation of schemes. The Board failed to manage the utilization of funds and implementation of schemes effectively. Neither were any parameters fixed by the Board to measure the improvement in the living standard of the people in the area nor was any evaluation got done to assess the impact of schemes.

Recommendations

3.4.25 As a result of the review of the activities of the Board, Audit is of the opinion that Government of Haryana should seriously consider winding up the Shivalik Development Board since it has so far not been able to give adequate special attention to the development of the three districts of Panchkula, Ambala and Yamunanagar in the Shivalik range, although this was the basic objective at the time of setting up of the Board. In case the Government still wants to continue with it, we suggest that the following recommendations may be considered to gear up the efforts of the Board:

- Shivalik Development agency should have a regular dedicated Chief Executive Officer supported by Project Officers and an Administrative Officer in order to manage the affairs of the Board professionally;
- The Board must formulate schemes/programmes on a long-term basis based on techno-economic surveys of the area, prepare Detailed Project Reports specifying special needs of the area and set measurable targets for assessing the achievements and impact on the living standards of the inhabitants of Shivalik area; and
- Evolve a system to monitor and evaluate the progress effectively for taking measures to ensure proper execution of the schemes/projects and utilisation of funds.

These points were referred to Government in July 2004: their reply had not been received (August 2004).

Ayurveda Department

3.5 Indian System of Medicines and Homoeopathy

Introduction

3.5.1 Indian System of Medicine and Homoeopathy (ISM&H) covers both, the systems which originated in India and those which originated outside but were adopted/adapted in India in the course of time. These systems have wide acceptance among the public in Haryana, particularly in rural areas. The programme aimed at providing medical relief to public through Indian System of Medicines and Homoeopathy and imparting of Ayurvedic medical education through undergraduate and diploma courses.

The Financial Commissioner and Secretary to Government of Haryana, Health and Ayurveda Departments is responsible for implementation of policy decisions of the Government relating to medical and health services. Director of Ayurveda is the head of Ayurveda Department and is assisted by one Deputy Director, one Assistant Director, one Establishment Officer and one Accounts officer in the Directorate at Chandigarh. At district level, District Ayurvedic Officers (DAOs) are responsible for implementation of various health programmes.

The scheme was reviewed in audit during March 2004 to May 2004 through test-check of records for the period from 1999-2000 to 2003-04 in the office of the Director, Ayurveda and in 6¹ districts (out of 19) covering 200 units (out of 528 in the State) which also included the Ayurvedic College.

Financial outlay and expenditure

3.5.2 The details of budget provisions and expenditure during 1999-2004 were as under:

Year	Original budget	Final budget	Total expenditure	Expenditure on salary and wages	Percentage	Expenditure on medicine	Percentage
(Rs. in crore)							
1999-2000	18.06	18.65	18.55	16.93	91	0.66	4
2000-01	21.52	19.48	19.16	17.68	92	0.73	4
2001-02	21.71	21.14	20.94	18.92	90	0.74	4
2002-03	22.08	22.31	21.59	19.64	91	1.19	5
2003-04	23.61	24.55	24.02	21.41	89	1.81	8
Total	106.98	106.13	104.26	94.58	91	5.13	5

Audit observed that per patient per annum expenditure on establishment ranged between Rs 64 and Rs 68 while on medicines it ranged between Rs 2.47 and Rs 5.70 only during 1999-2004.

¹ Bhiwani, Gurgaon, Jhajjar, Kurukshetra, Panchkula and Sirsa.

The table above included Central assistance of Rs 98.02 lakh (expenditure Rs 87.09 lakh) for purchase of medicines/equipment (Rs 72.50 lakh), home remedial kits (Rs 5.57 lakh), construction of girls' hostel (Rs 15 lakh), purchase of books (Rs 2 lakh) and training programme (Rs 2.95 lakh). Audit scrutiny brought out drawal of funds without immediate requirement and non-utilisation of Central assistance as discussed below:

Drawal of funds without immediate requirement

Essential Drugs not purchased

3.5.3 Central assistance of Rs 15 lakh for 60 dispensaries (March 2003) and Rs 47.50 lakh for 190 dispensaries (December 2003) was released by Government of India (Department of ISM&H) for the purchase of medicines from the listed government pharmacies. The department purchased medicines worth Rs 33.38 lakh upto March 2004. For the balance of Rs 29.12 lakh, the department got prepared a bank draft in favour of a firm in March 2004 for the purchase of medicines. However, medicines had not been received so far (June 2004) and the bank draft was lying with the Director, Ayurveda. Thus, the essential drugs could not be provided in backward and remote areas as envisaged in the scheme.

Non-utilisation of Central assistance

Non-purchase of equipments

3.5.4 For strengthening undergraduate colleges of Indian System of Medicines and Homoeopathy, GOI sanctioned (December 2001) Rs 10 lakh (released in March 2002) for the purchase of medical equipment. The College purchased (January 2004) equipment for Rs 1.97 lakh only and balance grant of Rs 8.03 lakh had been lying unutilised (March 2004).

Delivery of health care services

Ayurvedic, Homoeopathic and Unani hospitals/dispensaries aimed at delivery of medical services to the people in the State. Scrutiny of records brought out non-fixation of norms in regard to doctor-patient ratio to assess the workload, low bed occupancy in Government Ayurvedic Hospitals, non-availability of testing facilities for determining the quality of medicines, issue of expired medicines to patients and lack of facilities of drinking water and electricity in dispensaries as discussed below:

Absence of norms for doctor-patient ratio

Norms for Doctor-patient ratio not prescribed

3.5.5 Year-wise number of doctors as well as outdoor patients treated under Ayurvedic, Homoeopathic and Unani systems during 1999-2004 was as under:

Year	Number of doctors as of December every year	Number of OPD patients (in lakhs)		
		New patients	Old patients	Total
1999-2000	409	19.17	7.35	26.52
2000-01	404	20.05	7.57	27.62
2001-02	405	21.52	7.83	29.35
2002-03	426	22.25	7.83	30.08
2003-04	426	23.17	8.39	31.56

The State Government did not prescribe any norms in regards to doctor-patient ratio for dispensary/hospital for assessment of workload and requirement of doctor/para-medical staff. However, actual doctor patient ratio worked out to 1:24 to 1:27 during 1999-2004. The department did not assess the number of OPD patients for each institution in order to determine the workload. In the absence of such norms, performance of institutions and justification for their continuance and sanctioned strength for medical/para-medical staff could not be verified in audit.

The Director replied (August 2004) that a committee to give specific suggestions to assess the workload of doctors/para-medical staff was being constituted.

Low bed occupancy in Government Ayurvedic Hospitals

Bed occupancy in three Government Ayurvedic Hospitals was very low

3.5.6 The bed occupancy during 1999-2004 in three hospitals was low, as indicated below:

Years	Shri Krishna Government Ayurvedic College and 100 bedded Hospital, Kurukshetra			25 bedded Government Ayurvedic Hospital, Bhiwani			10 bedded Government Ayurvedic Hospital, Imloa (Bhiwani)		
	No. of beds		Percent- age	No. of beds		Percent- age	No. of beds		Percent- age
	Available	Occupied		Available	Occupied		Available	Occupied	
	In terms of days			In terms of days			In terms of days		
1999-2000	36,500	5,134	14	9,125	2,972	33	3,650	56	2
2000-01	36,500	11,066	30	9,125	2,630	29	3,650	103	3
2001-02	36,500	6,624	18	9,125	3,143	34	3,650	43	1
2002-03	36,500	3,264	09	9,125	5,923	65	3,650	43	1
2003-04	36,500	7,317	20	9,125	4,312	47	3,650	39	1

In Shri Krishna Government Ayurvedic College, Kurukshetra, average bed occupancy ranged between 9 and 30 *per cent* only. Audit observed that non-availability of services of specialist doctors, ambulance, etc. were the reasons for low bed occupancy at the Institute. The Director, Ayurveda stated (June 2004) that the matter regarding filling up the vacant posts had been taken up with the State Government.

As regards Government Ayurvedic Hospital, Bhiwani, the District Ayurveda Officer, Bhiwani attributed (May 2004) the low occupancy to improper location of hospital building.

Non-testing of medicines to check quality standards

3.5.7 According to the Drugs and Cosmetics Act, 1940, the department was to ensure availability of standard quality drugs to consumers, which otherwise cause a serious problem to public health. It was, however, observed in audit that testing facilities for determining the quality of Ayurvedic, Homeopathic and Unani medicines were not available in the State. Medicines worth Rs 5.13 crore were purchased during 1999-2004. However, samples of these medicines were never got tested from any laboratory to ensure their quality. In the absence of any quality controls, possibility of issuing spurious/sub-standard drugs to patients could not be ruled out. While the

Tenth five year plan (2002-07) had a provision of Rs 38 lakh for setting up of Drug Testing Laboratory, the State Government had not provided funds during 2002-04 for the purpose.

Issue of expired medicines to patients

8,160 packets of expired dycon tablets were issued to patients

3.5.8 Dycon² tablets, purchased by the department in the year 1997-98, had the expiry date as 30 November 1999. Ayurvedic dispensaries in Bhiwani and Jhajjar districts issued to patients 8,160 packets (30 tablets in each packet) of expired dycon tablets valuing Rs 0.97 lakh till April 2004. 1,592 packets of dycon tablets valuing Rs 0.19 lakh were still lying in the stock of DAO, Sirsa and five dispensaries in Sirsa district. The distribution of expired medicines could lead to undesirable consequences.

Lack of basic facilities of drinking water and electricity

Basic facilities of drinking water and electricity not provided

3.5.9 Out of 190 dispensaries test checked, in 98³ dispensaries and in 70⁴ dispensaries drinking water and electricity facilities respectively were not provided. However, water arrangements were made through part-time water carriers. Director stated (July 2004) that instruction had been issued to the dispensaries for providing these facilities after personally contacting the Gram Panchayats or the concerned departments.

Medical facilities under major therapies not provided

Major therapies not introduced in the Institute

3.5.10 The State Government constituted (February 1991) the Council of Haryana Institute of Alternative Medicines and Research, an autonomous body, for providing relief through various drugless therapies like naturopathy, herbal medicines, food therapy, acupuncture, acupressure, yoga therapy, etc. Subsequently, the State Government took over the Institute in January, 2000 alongwith the staff (Acupressurist-I, Homeo Medical Officer-I, Chowkidar-1, Sweeper-1), as part of the Ayurveda department in Government.

It was noticed that treatments in naturopathy, herbal medicines, food therapy, acupuncture and yoga therapy, etc. had not been started ever since the inception of the Institute in 1991. Thus, the Institute could not fulfill its aims and objectives, as major therapies had not been introduced despite lapse of four years even after the State Government took over the Institute. Director stated (August 2004) that these therapies could not be provided as the qualification for specialists for these therapies were yet to be prescribed by the State Government.

² Dycon tablets are meant for the treatment of dysentery.

³ Bhiwani : 7, Gurgaon : 41, Jhajjar : 13 and Sirsa : 37.

⁴ Bhiwani : 3, Gurgaon : 38, Jhajjar : 9, Kurukshetra : 7, Panchkula : 8 and Sirsa : 5.

Shortage of doctors and para-medical staff

3.5.11 Against the sanctioned posts of 553 doctors and 1090 para-medical staff, 84 and 250 posts respectively were vacant in the department (except Shri Krishna Government Ayurvedic College, Kurukshetra) as of December 2003.

The Director stated (June 2004) that vacant posts could not be filled due to ban on recruitment by the State Government and steps had now been taken to fill all the vacant posts after obtaining permission from the Government.

Medical education facilities

Shri Krishna Government Ayurvedic College and Hospital, Kurukshetra, earlier in private sector, was taken over by the State Government in June 1975. The institute offers undergraduate course namely Bachelor of Ayurvedic Medicines and Surgery (BAMS) and also provides medical treatment facilities to the people. From 2001-02, a diploma course in Ayurvedic Pharmacy was started. The institute incurred an expenditure of Rs 5.92 crore on these activities during 1999-2004.

Scrutiny of records revealed shortage of teaching staff, more than 50 per cent of total seats for diploma in pharmacy remaining unutilised, inadequate growing of species in herbal garden, insufficient number of indoor patients for practical training to students, non-purchase of ambulance, etc. as discussed in the following paragraphs:

Shortage of teaching staff

3.5.12 As per norms laid down by the Central Council of Indian Medicines (CCIM), in March 2001, 43 faculty members (Professors: 12, Readers: 14 and Lecturers: 17) were required for 14 teaching departments of the college but the Institute had a sanctioned strength of only 19 posts in various cadres (Professors: six, Readers: five and Lecturers: eight) of which only eight to 11 posts were filled during 1999-2004. Five posts of Professors and two to three posts of Readers remained vacant during this period.

Further, the post of the Principal remained vacant during 1999-2004 and his functions were being discharged by a professor.

For diploma course in Pharmacy, no separate teaching staff was sanctioned and the teaching work was being done by BAMS faculties, which were already short of requirement. Thus due to absence of adequate teaching staff, there was every likelihood of quality of education being affected.

A team of CCIM during inspection in June 2002 and an Inspection Committee from Kurukshetra University in March 2004 also stressed the need for filling up the vacant posts of teaching staff.

The Director stated (June 2004) that the posts could not be filled up due to ban on recruitment. He further stated that the demand for recruitment had been

Against the requirement of 43 teaching staff, only 8 to 11 were in position

sent to Haryana Public Service Commission after getting special permission from the Government to fill the vacancies.

Seats of education courses remained vacant

More than 50 per cent seats of diploma in pharmacy course remained vacant

3.5.13 The college had intake capacity of 50 students each for BAMS and Diploma course in Pharmacy. During 1999-2004, all the seats of BAMS were filled except six to eight seats meant for Non-resident Indians and three seats for management quota, etc. in the years 2001-04. However, for diploma course in pharmacy, 26 to 29 seats, which constituted more than 50 per cent of intake capacity, remained vacant during different years ever since the course was introduced in 2001-02.

Inadequacies in imparting practical training

3.5.14 The College had a Pharmacy for imparting practical training to the students. Scrutiny of stock register of pharmacy department revealed that meagre quantities of material/raw medicine (*Desi Ghee*: 1.2 kg; *Gandhak*: 1 kg and cloth: 11 metres) were issued to the Pharmacy for the purpose of practicals during 1999-2004.

The Principal stated (April 2004) that practicals were undertaken as per syllabus and the students arranged raw material themselves. Reply was not convincing as no record of medicines prepared during the course of practicals was shown to audit.

Inadequate plantation in herbal garden

Inadequate number of species were grown in the herbal garden

3.5.15 As per standards and requirements laid down by CCIM, there should be a Herbal Garden not away from the Ayurvedic college and it should grow all possible herbal plants; atleast 100 species relevant to the syllabus of Dravyaguna and 400 plants of other species useful for identification and demonstration. Accordingly, for setting up a Herbal Garden at Kurukshetra adjoining the College, GOI released a grant of Rs 5 lakh in August 1998.

The college could utilize only Rs 1.23 lakh up to March 2004. Only 46 species of herbal plants were grown against the minimum requirement of 100 species. Irrigation/green house facilities were not provided in the garden.

The Principal stated (April 2004) that grant could not be utilised due to other construction works in the college campus. The reply was not satisfactory considering that the grant was received about six years back.

Insufficient indoor patients for practical training of students

3.5.16 The College had 15 beds each in the department of Prasuti Tantra, Shalya Tantra, Shalkya Tantra and Kumar Bhritya. The number of indoor patients in these departments was negligible as average patients per year ranged between one and seven during 1999-2004. As per CCIM norms, bed occupancy to the extent of 60 per cent was necessary for imparting training to

BAMS students. As such sufficient number of patients was not available for BAMS students/internees for their practical training.

Non-purchase of ambulance

3.5.17 The State Government provided (February 2003) Rs 5 lakh for the purchase of an Ambulance for the Ayurvedic College at Kurukshetra to facilitate transportation of patients from and to the hospital. The department, instead, purchased 192 display boards in March 2003 at a cost of Rs 4.99 lakh as the sanction for the purchase of ambulance was not received from the Government. Sanction to regularise the diversion of funds had not been obtained (June 2004) from the Government.

Post of pathologist not provided for laboratory tests

3.5.18 The hospital laboratory provided facilities to indoor/outdoor patients for testing blood, urine, stool, etc. to help proper diagnosis of diseases. During 1999-2003, 19,445 tests were undertaken.

As per norms of CCIM, there was requirement of atleast one Pathologist for the Laboratory, but the same had not been provided by the State Government. Test reports were prepared by the Laboratory Technician, which could not be treated as reliable. It was observed that the test reports were used for diagnosis of diseases and further treatments though the reports were not authenticated by a Pathologist.

Laboratory tests reports prepared by laboratory technicians were not authenticated by Pathologist

Conclusions

3.5.19 Major expenditure of the department was on establishment. Doctor-patient ratio was not prescribed to assess the work load and requirement of doctor/para-medical staff. Bed occupancy in hospitals was very low. Medicines supplied to various institutions were not being tested to check their quality and even date expired medicines were issued to patients. Large number of posts of doctors and para-medical staff remained vacant. In Shri Krishna Government Ayurvedic College and Hospital, Kurukshetra, there was acute shortage of teaching staff. More than 50 *per cent* seats for diploma course in pharmacy remained unfilled. All these factors led to deficient medical services in the State in the Indian system of medicines and homoeopathy.

Recommendations

3.5.20 The department should consider to:

- initiate expeditious and co-ordinated efforts for deployment of required manpower in hospitals, dispensaries and the Medical Education Institute with a view to obtaining effective utilisation of infrastructure created;

- prescribe doctor-patient ratio to assess the workload and requirement of doctors/para-medical staff;
- make arrangement for testing medicines to ensure quality standards; and
- evolve system to guard against issuance of expired medicines to patients.

These points were referred to the Government in July 2004; their reply had not been received (November 2004).

CHAPTER-IV

TRANSACTION AUDIT OBSERVATIONS

AUDIT PARAGRAPHS

Chapter -IV

TRANSACTION AUDIT OBSERVATIONS

AUDIT PARAGRAPHS

4.1 Infructuous/wasteful expenditure and overpayment

Town and Country Planning Department
(Haryana Urban Development Authority)

4.1.1 Wasteful expenditure on acquisition of land falling in river

Due to acquisition of 402.75 acres of land falling in the river Ghaggar the entire expenditure of Rs 23.36 crore incurred on it was rendered wasteful.

To urbanise the area along State Highway beyond Ghaggar River, Haryana Urban Development Authority (HUDA), Panchkula acquired and took possession (17 June 1992) of 1,141.90 acres land after paying compensation of Rs 17.39 crore in June 1992.

Test-check of records (January 2004) of Estate Officer, HUDA, Panchkula revealed that the Chief Town Planner planned to float (1992-96) plots for Sectors 25, 26, 27 and 28 at Panchkula on the land measuring 739.15 acres. Remaining area of land (402.75 acres) was falling in river Ghaggar. As HUDA was aware of this fact before acquisition, the land though earmarked for these sectors could not be planned.

The land owners of these 1,141.90 acres, applied to the Land Acquisition Officer (LAO) in 1996 for referring the matter to the District Judge, Ambala for valuation of land under Section 18 of the Land Acquisition Act, 1894. District Judge decided (December 1998) the case in their favour and assessed the value of land as Rs 3.50 lakh per acre plus other statutory benefits. Taking into account all these statutory benefits, value of 1,141.90 acre land worked out to Rs 66.23 crore (1,141.90 x Rs 5.80¹ lakh per acre) and HUDA paid (1998-99) Rs 48.84 crore (Rs 66.23 crore less Rs 17.39 crore already paid) enhanced compensation to land owners. Thus, Rs 23.36 crore were paid for 402.75 acres land without any use.

¹ Cost of land:	Rs 3,50,000 per acre
Add 30 per cent compulsory acquisition charges:	Rs 1,05,000 per acre
Add 12 per cent per annum additional amount for 1,087 days:	Rs 1,25,079 per acre
Total:	Rs 5,80,079 per acre
	X 1,141.90 acre = Rs 66.23 crore.

The Estate Officer, HUDA Panchkula, while admitting the facts stated (January 2004) that the lapse on the part of official responsible for acquiring land in river *Ghaggar* was under investigation. Further developments were awaited (June 2004).

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, Town and Country Planning Department in March 2004, but reply had not been received (August 2004).

**Public Works Department
(Buildings and Roads Branch)**

4.1.2 Overpayment to contractors

Non-implementation of Government's decision to recover the differential amount of sales tax resulted in overpayment to contractors and loss of Rs 47.82 lakh to Government.

A meeting of Superintending Engineers (SEs) and Executive Engineers (EEs) was held on 6 August 2001 under the Chairmanship of Financial Commissioner and Secretary to Government of Haryana, Public Works Department, Buildings and Roads Branch. It was decided at the meeting that where the contractors were arranging bitumen at their own level for works of Ministry of Rural Development and Housing Urban Development Corporation of India and were paying sales tax at concessional rate of four *per cent* instead of ten *per cent*, the difference of six *per cent* be recovered from the bills of the contractors. The concessional rate was payable on goods sold to Haryana Government for use and consumption subject to furnishing of declaration in Form B. This condition was required to be made clear to the agencies in advance and an undertaking to this effect was to be obtained from the lowest tenderers.

Test-check of records (October-December 2003) of three divisions² revealed that in seven works, the departmental rates prepared before calling tenders were inclusive of 10 *per cent* sales tax on cost of bitumen, but in six cases (five allotted by Engineer-in-Chief and one by SE) the condition of recovery of difference of sales tax was not incorporated in the contract agreements. The contractors purchased, 6,253.373 metric tonnes of bitumen valuing Rs 7.97 crore between March and November 2003 from three suppliers³ by paying sales tax at the concessional rate of four *per cent* but the recovery of Rs 47.82 lakh on account of difference of sales tax at the rate of six *per cent* was not made from them. In one case (allotted by EE) though the clause of

² Provincial Divisions No. II, Kurukshetra (three works), No. I, Ambala Cantt (two works) and No. I, Hisar (two works).

³ (i) Hindustan Petroleum Corporation Limited, (ii) Hindustan Coals Limited and (iii) Indian Oil Corporation Limited, Panipat.

recovery of difference of sales tax was incorporated, the recovery was not made.

The Engineer-in-Chief (EIC), while admitting the lapse stated (May 2004) that had this clause been included in tenders, the rates would have been higher by equivalent amount. He further, stated (July 2004) that the analysis of rates of bitumen with 10 *per cent* sales tax was only for the purpose of assessment and evaluation of tenders and all the SEs have been instructed to evaluate tender cases in future with four *per cent* sales tax on purchase of bitumen. The reply was not tenable as the tenderers quoted their rates only after taking into account the departmental evaluation. The rates approved and paid to the contractors were inclusive of 10 *per cent* sales tax, therefore, the excess amount paid on account of sales tax was to be recovered. Though, the instructions were issued for future evaluations, no action was taken to recover the excess amount already paid.

Thus, the failure of the EIC, SE and EE to implement the Government's decision for recovery of difference of sales tax led to overpayment to contractors and loss of Rs 47.82 lakh to the Government. No responsibility for the failure was fixed as of July 2004.

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, PWD, B&R Branch, in March 2004; but reply had not been received (August 2004).

**Finance department
(Inspection of Treasuries)**

4.1.3 Overpayment of pensionary benefits

Failure of Treasury Officers/Bank Officers in observing established financial rules/orders resulted in overpayment of Rs 35.20 lakh of pensionary benefits.

As per provisions of Punjab Treasury Rules/Financial Rules applicable to Haryana and scheme for pension payment by Public Sector Banks, Treasury Officers (TOs) and Bank Officers were responsible for ensuring the correctness of the payments made with reference to the records maintained by them before incorporating the transactions in their accounts including pension payments. They were required to maintain a register in the prescribed *proforma* for keeping a comprehensive record of pension payments and each entry of monthly payment register was to be checked by the TO/Bank in token of having applied the required checks.

Inspection of 21 District Treasuries including sub-treasuries conducted by Accountant General (Accounts and Entitlement), Haryana and 32 branches of nationalised banks conducted by Accountant General (Audit), Haryana during 2002-03 and 2003-04 revealed an overpayment of Rs 35.20 lakh of pensionary benefits to 324 pensioners/family pensioners (as detailed in *Appendix XX*) due to failure on the part of TOs/Bank Officers in observing rules/orders and their

correct interpretation. Of this, overpayment of Rs 33.23 lakh related to excess payment of pension/family pension/commuted pension in respect of 280 pensioners. Rupees 1.97 lakh related to excess payment of dearness allowance and medical allowance in respect of 44 pensioners.

Financial Commissioner and Principal Secretary to Government Haryana, Finance Department, admitted the facts and stated (July 2004) that the amount was being recovered from the concerned pensioners and family pensioners.

4.2 Violation of contractual obligations/undue favour to contractors

Public Works Department (Irrigation Branch)

4.2.1 Violation of contractual obligations/undue favour to contractor

Non-revision of rates as per terms and condition of contract agreement resulted in excess payment of Rs 30.01 lakh.

Chief Engineer, Hathni Kund Barrage, Irrigation Branch allotted (December 1998) the work of construction of Western Jamuna Canal Link Channel and its appurtenant works to M/s Larsen & Toubro Ltd., Chennai for Rs 28.37 crore. Agreement for the works provided that when the actual quantities of work executed exceeded or fell short by more than 25 per cent of any particular item and cost variation was more than 2 per cent of the contract price, the rates were to be revalued.

During audit (September 2003) of Hathni Kund Barrage, Division I, Jagadhari, it was noticed that there was a provision of 758 and 1938 cubic metres (cum) in the agreement for providing and laying in position first class brick work laid in cement sand mortar 1:3 (i) upto 1.5 metre height above the top of foundation concrete and (ii) beyond 1.5 metre height above the top of foundation concrete respectively. The rates approved for these items in the agreement were Rs 1,715 and Rs 1,755 per cum respectively. During execution, the quantities of work of these items increased to 4,754.374 cum (valuing Rs 81.53 lakh) and 5,179.269 cum (valuing Rs 90.90 lakh) respectively due to change in the drawings. Both these items exceeded the contractual limits of 2 per cent of contract price and were more than 25 per cent of the prescribed quantities. Further scrutiny revealed that while making payment the contractor was paid at full agreement rates instead of reducing/refixing the same as per provisions of agreement. This resulted in excess payment of Rs 30.01 lakh.

When this was pointed out (September 2003), the Executive Engineer, Hathni Kund Barrage Division I, Jagadhri stated (April/May 2004) that value of these items of work was less than 2 per cent of contract price and did not qualify for

refixation of rates. The reply was not tenable as value of both these items exceeded the contract price by 2.42 and 2.01 *per cent* respectively, which qualified for revaluation as per provisions in the contract agreement. The payment made to the contractor on actual executed quantities of work at originally approved rates instead of reduced rates uptill March 2002 was in violation of provisions contained in contract agreement, which resulted in excess payment of Rs 30.01 lakh being undue favour to contractor. No responsibility was fixed (April 2004).

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Haryana Government, Irrigation Branch in May 2004; but reply had not been received (August 2004).

4.3 Avoidable/excess/unfruitful expenditure

Town and Country Planning Department
(Haryana Urban Development Authority)

4.3.1 Avoidable payment of interest on land compensation

Non-deposit of land compensation in the court led to avoidable payment of interest of Rs 28.47 lakh on delayed payment.

Section 31 of the Land Acquisition Act, 1894 (Act) provided that on making an award under Section 11 of the Act, the Collector should tender payment of compensation to the persons entitled thereto according to the award. If entitled persons did not consent to receive it, the collector was to deposit the amount of compensation in the court.

Test-check (September 2002) of records of Land Acquisition Officer (LAO), Urban Estates, Haryana, Panchkula, revealed that LAO on behalf of Haryana Urban Development Authority (HUDA) acquired (May 1992) 32.92 *acres* of land at Panipat for the compensation of Rs 82.61 lakh. The amount of compensation was withheld for the purpose of future adjustment towards the price of the industrial plots likely to be allotted to the land owners. As the allotment of industrial plots to the land owners did not materialise, LAO paid compensation of Rs 82.61 lakh to land owners in July 1996. Land owners filed a case (Civil Writ Petition No. 3064 of 1998) in High Court for payment of interest on delayed payment of compensation and the High Court directed the respondents (December 1998) to pay interest at the rate of nine *per cent* for first year and 15 *per cent* for the remaining period. HUDA filed 'Special Leave Petition' in the Supreme Court, which also upheld the decision of the High Court in November 2000. The LAO paid (September 2001) Rs 28.47 lakh as interest to land owners for the period from May 1992 to July 1996.

Thus, the decision of HUDA to withhold the amount of compensation instead of depositing it in the court as provided under Section 31 of the Act,

contravened the provisions of the Act and led to avoidable payment of interest of Rs 28.47 lakh on delayed payment.

The draft audit paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, Town and Country Planning Department in February 2004, but reply had not been received (August 2004).

Education Department

4.3.2 Unfruitful expenditure on idle staff

Non-providing of adequate science faculty in six upgraded schools not only defeated the objectives of upgradation but also rendered the payment of salary to the tune of Rs 55.86 lakh to skeleton idle staff, without science students, ungainful.

Government of Haryana upgraded various High Schools to Senior Secondary Schools as a part of its drive to improve the level of education. For Science stream, faculty in Physics, Chemistry, Biology, etc. and Laboratory Assistants (LAs) to assist the respective faculty in the laboratories were required to be posted.

Scrutiny of records (July-November 2003) of six⁴ Senior Secondary Schools in three districts (Fatehabad, Kaithal and Yamunanagar) revealed that required science faculty were not posted in these upgraded schools. Only one lecturer in Chemistry from November 1994 to December 2003 and one for Biology from April 1999 to December 2003 were posted in schools at Lalhari Kalan and Pundri respectively whereas one to three LAs were posted in each school during November 1994 to December 2003. Because of inadequate faculty, no student had ever opted for science subjects in these schools, which were upgraded between October 1991 and September 1997 and therefore, the skeleton staff that was posted also remained idle. Thus, due to non-posting of adequate faculty in science stream, not only the students were deprived of science education at senior secondary level but pay and allowances amounting to Rs 55.86 lakh paid to the LAs and two lecturers was also by and large rendered unfruitful.

The Principals of these schools, while admitting the facts, stated (December 2003 to January 2004) that no student had ever taken admission in science stream due to non-posting of the required faculty. The LAs posted in schools at Khizrabad, Lalhari Kalan and Pundri were only keeping the laboratory articles, while at Bhuthan Kalan and Kalawar schools the LAs were totally idle. However, the LAs at Guhla were deployed for teaching in middle classes without any sanction. The fact remained that the object of upgrading

⁴ Government Senior Secondary Schools at Bhuthan Kalan (Fatehabad), Guhla (Kaithal), Kalawar (Yamunanagar), Khizrabad (Yamunanagar), Lalhari Kalan (Yamunanagar) and Pundri (Kaithal).

the schools stood defeated, students were deprived of science education and salary paid to the skeleton idle staff was also ungainful.

The draft audit paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, Education Department in February 2004, but reply had not been received (August 2004).

**Public Works Department
(Public Health Branch)**

4.3.3 Unfruitful expenditure on unutilised structures of water supply scheme

Additional structures constructed at a cost of Rs 46.38 lakh remained unutilised due to non-remodelling of carrier channel, etc.

Haryana State Sanitary Board (HSSB) approved (August 1992) a scheme for augmentation of water supply to Village Sadalpur from 45 to 110 litre per capita per day (lpcd) for Rs 45 lakh. Due to shortage of funds, the construction work was stopped in 1995 after spending Rs 8.15 lakh on minor works and purchase of material. In December 1998, the estimate was revised to Rs 75 lakh due to increase in scope of work. The estimates include Rs 15 lakh for remodelling of Adampur distributory/Chiberwal minor (carrier channels) besides provisions for construction of other structures such as high level tanks (HLT), clear water tanks (CWT), filter beds, remodelling of inlet channel, pumping machinery, etc. Remodelling of carrier channels for increasing the discharge from 0.85 to 2.88 cusecs was to be done by the Irrigation Branch for which Rs 15 lakh were required to be deposited by Public Health (PH) Branch.

During audit (August/September 2002) of PH Division I, Hisar it was noticed that the structures such as HLT, CWT, filter beds, inlet channel, etc. were constructed between April to November 1999 at a cost of Rs 46.38 lakh, but neither was the sanction for outlet of 2.88 cusecs water obtained from Irrigation Branch nor were Rs 15 lakh deposited for remodelling of carrier channels. Consequently, the carrier channels were not remodelled to accommodate the additional water required to operate the scheme. The machinery that was required was also not purchased.

Thus, due to non-remodelling of carrier channels for additional water coupled with department's failure to obtain the required sanction from Irrigation Branch and non-providing/installation of machinery as per provisions, the scheme could not yield desired results for supplying 110 lpcd water to the residents. The expenditure of Rs 46.38 lakh incurred on construction of additional structures, remained unfruitful.

Engineer-in-Chief, (PH) stated (January 2004) that the additional pumping machinery could not be purchased and Rs 15 lakh required for remodeling of channel could not be deposited due to non-receipt of funds from State

Government. The reply was not tenable, as the work should have not been started without the provision of sufficient funds and approval from Irrigation Branch for outlet discharge of 2.88 cusecs water. Thus the lack of proper planning by the department rendered the expenditure unfruitful.

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, PWD, PH Branch, in April 2004, but reply had not been received (August 2004).

**Public Works Department
(Public Health Branch)**

4.3.4 Unfruitful expenditure on separate water works based on inflated population

Injudicious decision to construct separate water works based on inflated population projection resulted in extra burden of Rs 39.49 lakh on State exchequer.

Haryana State Sanitary Board (HSSB) approved (August 1992) an independent canal based water supply scheme for providing 70 litre per capita per day (lpcd) of water to village Kussar and Mehna Khera in Sirsa district for Rs 16.75 lakh with water works at Kussar. The scheme was completed (February 1995) except one storage and sedimentation tank, by spending Rs 30.36 lakh. Despite huge cost overrun (Rs 13.61 lakh), the scheme could supply only 40 lpcd water against the target of 70 lpcd. In November 1999 the HSSB approved the augmentation of this scheme for Rs 36.65 lakh on basis of population of 1999 to increase the supply upto 70 lpcd. The augmentation work started in February 2000 was completed in February 2001 at a cost of Rs 30.36 lakh and scheme was commissioned in March 2001 but the water supply could not be increased from 40 to 70 lpcd due to non-availability of sufficient power supply.

During audit (September 2003) of Public Health (PH) Division II, Sirsa, it was noticed that HSSB approved (May 2001) another independent scheme for village Mehna Khera for Rs 46.80 lakh, on the basis of inflated population of 1430 persons (taken in 2000 at the time of framing estimate) against actual 1209 persons (as per census 2001). The work against this estimate started in January 2002 was completed in September 2002 by spending Rs 39.49 lakh. The scheme was commissioned in September 2003.

Scrutiny further revealed that the structures constructed under augmentation of scheme at Kussar were sufficient to meet the requirements of both the villages and therefore, there was no necessity for separate independent scheme for village Mehna Khera which was conceived with inflated population projection. Thus, the expenditure of Rs 39.49 lakh incurred on the scheme was unjustified.

Engineer-in-Chief, PWD, PH Branch stated (February 2004) that practically it was not possible to provide the required 70 lpcd of water to the inhabitants of village Mehna Khara due to; (i) long distance of four Kilometres (KMs) from water works Kussar, (ii) reduction in pressure of water supply due to damages/puncturing of pipe line, (iii) non-availability of power and (iv) reduction in the capacity of the pumping machinery due to wear and tear. The reply was not tenable as the provision of pipeline to cover distance of four KMs was made while framing estimate for augmentation and accordingly, old pipeline to village Mehna Khara was replaced during February 2000 to February 2001. No evidence of reduction in pressure due to damages/puncturing, non-availability of power supply and reduction in the capacity of pumping machinery was on record.

Thus, the decision to provide separate water works based on inflated population resulted in extra burden of Rs 39.49 lakh on State exchequer, which could have been avoided.

The draft paragraph was demi-officially forwarded to the Commissioner and Secretary to Government Haryana, PWD, PH Branch, in April 2004; but reply had not been received (August 2004).

**Rural Development Department
(District Rural Development Agencies)**

4.3.5 Excess payment due to adoption of higher rate of assistance

Payment of assistance of Rs 20,000 per unit for conversion of *kutcha* houses to *pucca* houses in plain areas and Rs 22,000 in hilly areas, instead of Rs 10,000 as provided in the scheme, resulted in excess payment of Rs 16.07 crore to 16,047 beneficiaries.

Under Indira Awaas Yojana (IAY), a Centrally sponsored scheme, an assistance of Rs 20,000 per unit was given for construction of new houses in plain areas and Rs 22,000 in hilly areas to the families living below poverty line in rural areas. Conversion of unserviceable '*kutcha houses*' to semi *pucca/pucca* houses was also included in the scheme by Government of India (GOI) from April 1999 under which assistance of Rs 10,000 per unit was to be given. These benefits were also to be given under *Pradhan Mantri Gramodaya Yojana* (PMGY) launched by GOI in 2000-01.

Test-check of records (January – April 2004) of nine⁵ District Rural Development Agencies (DRDAs) revealed that during 1999-2004, 16,047⁶ beneficiaries (IAY: 15,030 and PMGY: 1017) having *kutcha* houses were

⁵ Ambala, Fatehabad, Gurgaon, Kaithal, Karnal, Panchkula, Panipat, Rewari and Rohtak.

⁶ Ambala: 3,834, Fatehabad: 1,257, Gurgaon: 2,291, Kaithal: 1,137, Karnal: 1,873, Panchkula: 519, Panipat: 2,008, Rewari: 1,787 and Rohtak: 1,341.

provided assistance of Rs 20,000 per beneficiary in plain areas and Rs 22,000 per beneficiary in hilly areas for conversion of *kutchha* houses to *pucca* houses against the prescribed limit of Rs 10,000 per unit which resulted in excess payment of Rs 16.07 crore.

The Additional Deputy Commissioners-cum-Chief Executive Officers (ADC-cum-CEO) of all the nine DRDAs admitted (February-July 2004) that the beneficiaries were granted Rs 20,000/Rs 22,000 each for conversion of their *kutchha* houses to *pucca* houses.

Thus, non-following of the guidelines of scheme properly resulted in excess payment of Rs 16.07 crore to 16,047 beneficiaries.

Financial Commissioner and Principal Secretary to Government Haryana, Rural Development Department stated (June 2004) that because of the flexibility given by GOI to utilise funds either for upgradation of *kutchha* houses or for new houses, Government instructed the DRDAs to utilise funds for new houses only from the year 2002-03. He further stated that Rs 20,000/Rs 22,000 were granted for construction of new houses only. Reply is not acceptable as GOI had not increased the limit of Rs 10,000 for upgradation of *kutchha* houses and the beneficiaries were granted Rs 20,000/Rs 22,000 each for conversion of their *kutchha* houses to *pucca* houses and not for construction of new houses as per the admission of concerned ADCs-cum-CEOs.

**Public Works Department
(Public Health Branch)**

4.3.6 Unfruitful expenditure on water supply schemes

Structures of three water supply schemes, constructed by spending Rs 2.22 crore, remained unutilised, as availability of additional required raw water was not ensured before start of project.

Scrutiny of records of three Public Health (PH) Divisions⁷ revealed that Haryana State Sanitary Board approved augmentation of two water supply schemes to increase the water supply from 40 to 70 litre per capita per day (lpcd) and one new scheme to provide 40 lpcd water in desert prone area as the existing water supply to affected villages was inadequate. However, the additional structures constructed at a cost of Rs 2.22 crore without ensuring the availability of water from Irrigation branch, remained unutilised. This resulted in unfruitful expenditure of Rs 2.22 crore because of the failure in planning and utilising of these works, as discussed below:

➤ In PH division, Hansi, canal water was not reaching the existing water work site due to less discharge in Mör Minor (existing source). Therefore,

⁷ Public Health Divisions, Hansi (January 2004), Mohindergarh (February 2003) and Planning and Investigation Division, Charkhi Dadri (July 2003).

under the augmentation scheme for village Badala (Hisar) approved in April 1999 for Rs 56.50 lakh, the source was proposed to be changed to Sorkhi Minor with increased discharge of 1.14 cusecs against 0.50 cusecs. However, the work was started in February, 2001 without ensuring the availability of additional raw water from the Irrigation Branch. The Executive Engineer (EE), PH, requested (April 1999) the EE, Water Service (WS) Division, Hansi to give his consent for 1.14 cusecs canal water required to operate the scheme who agreed (July 1999) to provide only 0.50 cusecs water as there was no provision for meeting the additional demand in existing channels. The EE, PH Division, Hansi again requested (March 2002) the EE, WS Division, Hansi to supply required water but he again did not agree (March 2002) and intimated that only 0.50 cusecs of water, which was already being supplied for the existing scheme from Mor Minor could be spared. Although, the scheme was completed in March 2003 by spending Rs 48.12 lakh, it could not be commissioned (June 2004) due to non-availability of required raw water from Irrigation Branch.

EIC, Public Health Branch stated (August 2004) that irrigation Branch sanctioned outlet of 0.50 cusecs only and allowed full requirement of water by providing extra pipe line. Reply is not tenable as the Superintending Engineer, Bhakra Water Services, Circle No. I, Hisar intimated (September 2004) that the outlet for 0.50 cusecs was sanctioned for six months and has not been regularised/extended. Secondly the scheme was already functioning with 0.50 cusecs, as such there was no necessity for construction of additional structures.

➤ Similarly, in PH Planning and Investigation Division, Charkhi Dadri, the augmentation scheme for village Gothra and Santokpur in Bhiwani district was approved (November 1997) for Rs 37.55 lakh. The raw water (discharge: 1.38 cusecs) to operate the scheme was proposed to be taken from Gothra Minor. On the request (July 1997) of EE, PH to sanction outlet of 1.38 cusecs from RD 34836 of Gothra Minor, the EE, Loharu WS Division, Charkhi Dadri informed (July 1997) that Loharu canal system is non-perennial. As the running period of the Gothra Minor was four to five days in a month and the demand for outlet was in tail (at RD 34836), regular supply of raw water could be made available only for four to five days in a month that too, subject to availability of water. Though the regular supply of raw water was not assured, the construction of water works at village Gothra was started (February 1998) and completed (March 2000) at a cost of Rs 52.55 lakh. The scheme, however, failed to provide 70 lpcd water to inhabitants as per provisions of the estimate.

The EIC, Public Health Branch, while admitting the facts, stated (August 2004) that due to less availability of water in the Loharu canal system and constraint in lifting/interrupted power supply, the water tanks could not be filled regularly and the supply is being maintained as per availability. Reply is not acceptable, as the scheme should have not been conceived without ensuring the availability of water.

➤ Again, in PH Division, Mohindergarh, construction of a canal based water supply scheme approved in August 1998 for providing 40 lpcd water to Akoda

group of five villages in Mohindergarh district was started in January 1999 without obtaining prior consent from Irrigation Branch to supply water. The EE, PH Division after starting construction, requested (May August, and November 2000) EE, WS, Division, Charkhi Dadri and EE, Mohindergarh Canal WS Division, Charkhi Dadri for sanction of outlet of raw water (2.17 cusecs) from Satnali Feeder, required to operate the scheme as per approved estimate. Both the EEs refused (June, September 2000 and January 2001) to sanction outlet, as it was not technically possible due to less supply of water in Satnali Feeder. The EE, PH again requested (February 2003) the EE, Irrigation for sanction of outlet connection for raw water but the approval was still awaited (June 2004). Although the scheme was completed in December 2003, the objective to supply canal water to the inhabitants still remains a distinct dream even after spending Rs 1.21 crore.

The EIC, PH Branch, stated (August 2004) that the outlet has been allowed by Irrigation Branch at desired RD of Satnali feeder and the scheme was commissioned in January 2004. The reply was not tenable as the outlet was sanctioned temporarily as intimated (September 2004) by the EE, Mohindergarh Canal Water Service Division, Charkhi Dadri. The release of permanent outlet for this water supply scheme was technically not possible due to less availability of water in the feeder.

The State Government should conceive such schemes only after ensuring the availability of raw water from Irrigation Department.

The draft paragraphs were demi-officially forwarded to the Commissioner and Secretary to Government Haryana, PWD, PH Branch in March and May 2004; but reply had not been received (August 2004).

Transport Department (Haryana Roadways)

4.3.7 Avoidable payment of compensation due to invalid driving licences

Failure to comply with the provisions of Motor Vehicle Act, resulted in avoidable payment of compensation of Rs 43.09 lakh.

The Motor Vehicle (MV) Act, 1988 provides that no owner or person incharge of MV shall permit any person to drive a motor vehicle unless he holds an effective driving licence issued to him authorising him to drive the vehicle. The insurance cover issued by Insurance Companies while insuring Haryana Roadways buses also provides that to claim reimbursement from insurer, the insured must ensure that the drivers of the buses had valid driving licenses at the time of accident. To comply with this condition, the State Transport Commissioner also directed (December 1997, January 1998, March, April and June 1999) all the General Managers (GMs) of the depots to ensure that all the drivers had a valid driving licenses.

Test-check (April – September 2003) of four⁸ depots revealed that drivers of seven buses that were involved in accidents between July 1999 and July 2002 were not having valid licence. The aggrieved parties filed 21 number of claims against Haryana Roadways with the Motor Accident Claims Tribunals who held (July 2000 to March 2003) the seven drivers of buses responsible for the accidents and awarded compensation of Rs 36.55 lakh along with interest. The payment of Rs 43.09 lakh including interest of Rs 6.54 lakh was made to the claimants between January 2002 and May 2003. However, the Insurance Companies could not be held liable to reimburse the amount of compensation as the driving licenses of these seven drivers were found invalid/fake.

When this was pointed out (December 2003), the Financial Commissioner and Principal Secretary to Government Haryana, Transport Department stated (November 2004) that disciplinary action had been taken against the defaulting drivers and all the GMs had already been instructed to ensure that valid driving licences were available with drivers. The reply was not satisfactory as the department failed to verify the genuineness of driving licences of drivers before their appointment and no action was taken against the officers, who had allowed the drivers to drive the buses without valid driving licenses, in violation of provisions contained in MV Act and also to recoup the loss.

Thus, failure of the Haryana Roadways to comply with the provisions of MV Act by ensuring that the drivers had valid driving licenses while driving resulted in avoidable loss of Rs 43.09 lakh.

Transport Department (Haryana Roadways)

4.3.8 Avoidable payment of special road tax

Three depots of Haryana Roadways paid special road tax to Rajasthan State without plying buses/ plying buses on shorter routes and paid penalty due to delayed payment resulting in extra burden of Rs 49.22 lakh on State exchequer.

Haryana Roadways operates its buses in Rajasthan territory under inter-state agreement. The payment of special road tax is made for each day as per provisions of the Rajasthan Motor Vehicles Taxation Act, 1951 at the rates notified⁹ by State Government from time to time, in advance every month on the basis of route permits obtained for scheduled kilometres. In case any

⁸ Chandigarh, Jind, Kaithal and Yamunanagar.

⁹ Rates notified with effect from 01-04-1998 by State Government.

Stage carriages of other States plying buses in Rajasthan	Rate of Tax per day
upto 40 Km, per day	Rs 50
40 Km to 80 Km, per day	Rs 150
80 Km to 160 Km, per day	Rs 300
160 Km to 240 Km, per day	Rs 400
240 Km to 400 KM, per day	Rs 500
Over 400 KM, per day	Rs 700

depot does not intend to operate any route permits(s), the payment of special road tax can be avoided by surrendering the route permit(s).

Test-check (July 2000 to September 2003) of records of Rewari, Hisar and Bhiwani Depots of Haryana Roadways revealed that in Rewari and Hisar depots the buses against four¹⁰ route permits (obtained for five years) were neither plied between April 1997 to November 2001 nor the route permits were surrendered. However, special road tax of Rs 20.34 lakh was paid against these route permits to Rajasthan Government. In Bhiwani and Hisar depots, the buses against the four¹¹ route permits were plied on shorter distance but the special tax was paid for the scheduled kilometres, which resulted in excess payment of Rs 16.29 lakh.

Scrutiny further revealed that in Hisar depot Rs 12.59 lakh were paid as penalty to District Transport Officers (Rajasthan) Churu (Rs 7.74 lakh) and Hanumangarh (Rs 4.85 lakh) in October 1999 and January 2003 respectively due to delay in making payment for the periods April 1997 to September 1999 and April 1997 to March 2002 respectively.

Thus, the payment of special road tax without plying buses, plying buses on shorter routes with tax for longer routes coupled with non-payment of tax on due dates and the failure of GMs in taking timely action had resulted in avoidable payment of Rs 49.22 lakh.

The Financial Commissioner and Principal Secretary to Government Haryana, Transport Department stated (November 2004) that keeping in view the public requirement and profitability of routes, only viable routes were operated in Rajasthan State, irrespective of the fact whether the routes were included in Inter-State agreement or not and there was no loss to the Government. The reply did not address the contention of the Audit that payment of taxes was also made for routes, which were not being operated. The department should have prudently taken step to restrict the outgo towards taxes by ensuring payment of taxes only for routes which they intended to operate.

Food and Supplies Department

4.3.9 Avoidable loss due to non-reimbursement of carry-over and storage charges

DFSC, Rewari did not follow the instructions of FCI to supply wheat directly to FCI depots thereby causing a loss of Rs 71.83 lakh to Government.

Food and Supplies Department procures wheat from *mandis* for delivery to Food Corporation of India (FCI). The Director, Food and Supplies (DF&S)

¹⁰ **Rewari Depot:** Rings-Delhi-Kotputli and Delhi-Sikkar-Neem Ka Thana.

Hisar Depot: Hisar-Suratgarh and Hisar-Bhadra via-Adampur.

¹¹ **Bhiwani Depot:** Delhi-Sadar Sahar Via Churu and Loharu-Chirawa via Jhunjhunu.

Hisar Depot: Hisar-Nokha via Mukam and Hisar Khatushamji via Sikar.

while circulating (March 2000) the wheat procurement policy for Rabi 2000-2001 directed all the District Food and Supplies Controllers (DFSCs) to deliver maximum stocks of wheat purchased from *mandis* directly to FCI depots to avoid double handling. DFSCs were required to get the godowns earmarked for delivery of wheat in consultation with District Managers (DM) of FCI of each procurement centre/*mandi*.

In April 2000, DM, FCI, Gurgaon gave a linkage plan to DFSC, Rewari for delivery of wheat stocks purchased during 2000-2001 directly from Rewari *mandi* to FCI depots at Narnaul/Faridabad. On 26 May 2000, the DM reminded the DFSC, Rewari to ensure the delivery of procured wheat by 30 June 2000 as per linkage plan. In June 2000, even two special trains were arranged by FCI to carry the wheat from Rewari but the DFSC, Rewari did not deliver the stock.

DFSC, Rewari purchased 0.73 lakh quintal wheat from Rewari *mandi* during April to June 2000 but delivered the wheat to FCI belatedly during July 2000 to March 2002. Carry-over and storage charges of Rs 71.83 lakh claimed during July 2000 to March 2002 by DFSC were not reimbursed by DM, FCI, Gurgaon due to non-implementation of linkage plan for delivery of procured wheat.

On this being pointed out (February 2003), Director and Joint Secretary, Food and Supplies Department stated (February 2004) that Depot Incharge, FCI, Rewari declined (April 2000) to accept delivery and advised to contact for space after 1 May 2000. Financial Commissioner and Principal Secretary to Government Haryana, Food and Supplies Department intimated (November 2004) that the matter regarding release of amount deducted had been taken up with Regional Manager, FCI. Final out-come was awaited. Reply was not tenable as DM, FCI had requested DFSC, Rewari on 26 May 2000 to deliver the entire stock by 30 June 2000 as per linkage plan but the department failed to deliver the stock.

Thus, failure of department to deliver wheat stocks as per linkage plan/ issued by DM, FCI, Gurgaon resulted in avoidable loss of Rs 71.83 lakh for which no responsibility was fixed.

**Public Works Department
(Irrigation Branch)**

4.3.10 Unfruitful expenditure due to improper planning

Rupees 6.14 crore spent on construction/remodelling of channels failed to achieve the objectives of better irrigation facilities due to improper planning and delayed execution of work.

State Government approved (December 1997) a scheme for linking of Garanpura minor with Balawas distributory for Rs 3.54 crore on the demand of villagers to extend the irrigation facilities from Bhakra Canal (BC) system

as they were not getting irrigation facilities from existing Western Jamuna Canal (WJC) system, their area being at tail end of the system. The water from BC system was proposed to be released from Harita Minor (at RD 26,600) through Garanpura minor by linking it with Balawas distributory (at RD 18,180 L). The linkage scheme provided for remodeling of existing Harita Minor upto RD 26,600 and Garanpura Minor upto RD 46,800 for raising capacity from 13.25 to 80.92 cusecs. The scheme involved lifting of water and thus required construction of pump houses at RD 46,800, 51,050 and 57,300 of Garanpura Minor besides its extension from RD 46,800 to 57,600 and construction of head regulator, etc. The expenditure was to be met from National Bank for Agricultural and Rural Development (NABARD) aided Rural Infrastructure Development Fund (RIDF) Project and the work was to be completed by March 2001 (extended upto December 2003).

Test-check of records (July 2003) of Siwani Water Services Division, Bhiwani, revealed that the scheme was conceived (December 1997) without proper planning and without examining the feasibility of water and no provision was also made in the original estimate for construction of pump houses. Due to non-availability of water in Harita Minor, the off take point was changed (February 1999) to Siwani Feeder for assured supply of water during execution of the scheme, which not only increased the scope of work but also delayed the completion of work. As a result the project estimate sanctioned (January 1998) for Rs 3.54 crore was revised (January 2002) to Rs 7.76 crore for which the sanction was still awaited (April 2004).

Scrutiny further revealed that work for linking of two systems of irrigation scheduled to be completed by March 2001 was partially completed till December 2003. Although an expenditure of Rs 6.14 crore had been incurred, the pumps required for lifting of water at pump houses were not purchased and installed (April 2004) and NABARD aided RIDF project under which this scheme was sanctioned had since been closed in December 2003. Rupees 90 lakh would be required for purchase of pumps but no source for funding balance work of this project was available. Consequently, the scheme could not be commissioned.

Thus, improper planning in framing the scheme without examining its feasibility and delay in its execution rendered the expenditure of Rs 6.14 crore incurred so far as unfruitful as the channels constructed failed to achieve desired objective of better irrigation facilities.

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Haryana Government, Irrigation Branch in May 2004; but reply had not been received (August 2004).

**Education Department
(Haryana Prathamik Shiksha Pariyojna Parishad)**

4.3.11 Avoidable expenditure on printing of excess books

Providing of books to general category students free of cost in contravention of provisions and further getting the books printed in excess of actual requirement, resulted in avoidable expenditure of Rs 3.98 crore.

District Primary Education Programme (DPEP), a centrally sponsored scheme aimed at achieving universalisation of primary education, was introduced in seven¹² districts in the State. The programme provides free learning material to Schedule Castes (SCs)/Scheduled Tribes (STs) and girl students of Class-I to V in Project Districts. Subsequently, Government of India (GOI) also permitted (August 1998) to provide workbooks free of cost to general category students in Standard-I. Therefore, boys belonging to the general category studying in Class-II to V were not to be provided free text books.

Test-check of records (February 2004) of Haryana Prathamik Shiksha Pariyojna Parishad (HPSPP) revealed that learning material which was to be provided only to SCs/STs and girl students free of cost was also provided to boys of general category from Class-II to V in contravention of the provisions of the scheme. During 1999-2003, 12.18 lakh books valuing Rs 2.59 crore were provided to Class-II to V students of general category free of cost. Audit further observed that the books were got printed without assessing the actual requirement as even after distributing to ineligible students, 6.14 lakh books valuing Rs 1.39 crore still remained surplus.

State Project Director, HPSPP stated (September 2004) that the GOI had accorded approval in August 1998, for supply of books to all the students. Printed books were not more than the requirement as compared to enrolment and the balance was negligible. Reply was not tenable as the GOI's approval (August 1998) was for free supply of workbooks to students in Standard - I only whereas the text books were given to the general category students of Class-II to V free of cost and the books valuing Rs 1.39 crore were still lying undistributed.

Thus, printing of books in excess of actual requirement resulted in avoidable expenditure of Rs 3.98 crore.

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, Education Department, in March 2004, but reply had not been received (August 2004).

¹² Bhiwani, Gurgaon, Hisar, Jind, Kaithal, Narnaul and Sirsa.

**Education Department
(Maharshi Dayanand University, Rohtak)**

4.3.12 Excess expenditure on construction of auditorium

Failure of the University in planning to supply steel for construction of auditorium despite availability of funds resulted in extra expenditure of Rs 30.27 lakh.

Vice-Chancellor, Maharshi Dayanand University (University), Rohtak administratively approved (March 1993) the 'construction of auditorium' for Rs 3.22 crore. The work was allotted (October 1993) to a contractor for Rs 2.79 crore with the condition to complete the work within a time limit of two years, which was subsequently extended (October, November 1995, July 1996 and December 1998) upto November 1995, May-December 1996 and March 1999 respectively due to unprecedented rains and floods, shortage of labour due to harvesting season and non-availability of building material, etc. Funds were to be managed by the University out of its receipts including grants-in-aid received from the State Government. Cement and steel was to be supplied by the University.

Test-check of records (August 2002) of the University revealed that after part completion of work valuing Rs 1.70 crore (upto roof level), the contractor stopped (March 1998) the work as the University could not supply 130 MT steel worth Rs 30 lakh for construction of roof though there was no shortage of funds with the University.

Meanwhile, the University again approached the contractor (November 2000) to resume the work but the issue could not be resolved upto January 2002 and the contractor did not agree to restart the work at original rates. After negotiations, he agreed (June 2002) to execute the balance work (RCC beam, column, brick work plastering and flooring, etc.) at higher rates. The balance work, assessed for Rs 1.75 crore was re-allotted (July 2002) to the same contractor with the condition to complete the work within 10 months from the date of receipt of structural steel at site, period extended (January 2004) upto 30 June 2004. The contractor had executed the work valuing Rs 1.37 crore upto March 2004. Execution of work at higher rates had resulted in an extra expenditure of Rs 30.27 lakh so far (March 2004).

Thus, due to failure of the University to supply the steel in time, despite availability of sufficient funds with it, the work could not be completed even after incurring huge expenditure of Rs 3.28 crore (Payment to contractor: Rs 1.70 crore + Rs 1.37 crore and departmental expenditure: Rs 0.21 crore) over a period of eleven years. Besides, University had also to incur extra expenditure of Rs 30.27 lakh due to higher rates upto March 2004. Excess expenditure would further increase on completion of work.

The draft audit paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government of Haryana, Education Department in February 2004, but reply had not been received (August 2004).

**Transport Department
(Haryana Roadways)**

4.3.13 Avoidable expenditure due to non-insurance of buses

Non-insurance of buses resulted in avoidable expenditure of Rs 3.73 crore in 12 depots of Haryana Roadways on account of compensation.

The Commissioner and Secretary to Government of Haryana, Transport Department decided (January 1997) to insure all the Government vehicles. The Transport Commissioner, further, clarified (May 1997) that the concerned department should take decision at their own to insure the vehicles as a third party or comprehensive insurance. Subsequently, in a meeting of Commercial Officers (September 1997), under the Chairmanship of Transport Minister, all the General Managers (GMs) of Haryana Roadways (HR) were apprised about insurance coverage for the buses as was obtained by Faridabad depot from Oriental Insurance Company from 6 August 1997 to 5 August 1998. They were advised to get their buses also insured in consultation with the local insurance offices.

Scrutiny of records (April 2003 to April 2004) of 12¹³ HR depots revealed that the GMs did not make any effort to obtain even third party insurance of their buses till January 1999 - July 1999. Consequently, the department paid Rs 6.32 crore as compensation in 339 cases during October 1998 to July 2003 for buses, which met with accidents during January 1998 to July 1999. Of this amount, Rs 3.73 crore could have been avoided had the GMs of these depots got their buses insured by paying Rs 2.59 crore¹⁴ as insurance premium to Insurance Companies.

The Financial Commissioner and Principal Secretary to Government Haryana, Transport Department intimated (November 2004) that the loss worked out by audit was beyond the control of department as the Insurance Companies were not willing to insure buses due to high claim ratio. The reply was not tenable as the Faridabad Depot had already got their buses insured from Oriental Insurance Company and clear instructions had already been given to GMs in the meeting of commercial officers.

Thus, non-insurance of buses by GMs during January 1998 to July 1999 had resulted in avoidable payment of compensation and extra burden was computed to be of Rs 3.73 crore on State exchequer.

¹³ Ambala, Bhiwani, Chandiagr, Fatehabad, Gurgaon, Hisar, Jind, Kaithal, Karnal, Kurukshetra, Sirsa and Sonapat.

¹⁴ This amount has been worked out on the basis of highest insurance premium paid i.e. Rs 10,725 for 2,419 buses in 12 depots for the period June 1998 to June 1999.

4.4 Idle investment/idle establishment/blockage of funds

Health Department

4.4.1 Blockage of funds due to delay in setting up of Cobalt Therapy Unit

Delay in creating infrastructure for installation of Cobalt Therapy Unit and non-procurement of the equipment had not only led to blockage of funds of Rs 1.98 crore over a period of 3 years but also resulted in non-achievement of programme objectives.

In order to expand the facility of Cobalt Therapy for the patients suffering from Cancer, Government of India (GOI) sanctioned (23 March 2001) Rs 1.50 crore as grant-in-aid to the State Government for setting up of Cobalt Therapy Unit at General Hospital, Bhiwani under National Cancer Control Programme. The grant was to be utilised within a period of one year from the date of sanction failing which, the amount was to be refunded. The building to house the Cobalt Unit was to be constructed with the specification prescribed by *Bhabha Atomic Research Centre (BARC)* and the expenditure on staff, building and its recurring cost would be met by the State Government/Institution.

Scrutiny of records (May 2003) of Director General, Health Services, (DGHS) Haryana revealed that the demand draft for Rs 1.50 crore received from GOI in March 2001 by DGHS was sent (11 May 2001) to the Project Director who deposited the amount in fixed deposit account in July 2001. The Cobalt Therapy Unit at Bhiwani could not be set up as the department took a lot of time in preparation and finalisation of drawings of building required for its installation. It was only in March 2002, the DGHS sent the detailed specifications of the unit proposed to be procured and the blue print, of installation site to BARC, Trombay for approval. The approval received in May 2003 was sent (May 2003) to Public Works Department, Buildings and Roads Branch for preparation of estimates. The Engineer-in-Chief sent (December 2003) the rough cost estimate of Rs 46.73 lakh to DGHS for administrative approval, which had not been accorded as of June 2004. No action had been taken even to procure the Cobalt Therapy equipment so far. Sanction of GOI to utilise the grant in subsequent years had also not been obtained as of June 2004.

The department stated (June 2004) that equipment of Cobalt Therapy could not be purchased till the revalidation of period to utilize the funds is received from GOI and administrative approval for construction of building is received from the State Government. The reply was not tenable as installation of Cobalt Therapy Unit was delayed due to delay in finalising the drawings/blue print, etc. The matter regarding revalidation was taken up with GOI only in June 2003 when the sanction to utilise the funds expired in March 2002.

Thus, delay in creating infrastructure for installation of Cobalt Therapy Unit and non-procurement of the equipment had not only led to blockage of funds of Rs 1.98 crore (Principal: Rs 1.50 crore plus interest computed upto September 2004 Rs 0.48 crore) over a period of 3 years but also resulted in non-achievement of the programme objectives.

The draft audit paragraph was demi-officially forwarded to the Commissioner and Secretary to Government Haryana, Health Department in March 2004, but reply had not been received (August 2004).

4.5 Regulatory issues and other points

Rural Development Department (District Rural Development Agencies)

4.5.1 Non-recovery of revolving fund

Revolving fund of Rs 2.73 crore advanced to 1,398 defunct DWCRA groups remained blocked for five years due to non-recovery by DRDAs.

Government of India (GOI) launched (1982) Development of Women and Children in Rural Areas (DWCRA) scheme with primary objective to provide opportunities of self-employment to the women members of rural families below poverty line. For this, a group of 10-15 members was to be formed to whom one time grant of Rs 15,000 to Rs 25,000 was to be provided as a revolving fund for carrying out viable economic activities. In the case of defunct groups, GOI decided (November 1991) that if it was not possible to revive a defunct group, the amount lying unutilised with the group was to be recovered and credited to DWCRA account. With the launching of Swarnjayanti Gram Swarozgar Yojana (SGSY) in April 1999, the unspent funds of DWCRA account were to be pooled under SGSY.

Test-check of records and information collected (September 2003 to June 2004) in respect of 13 District Rural Development Agencies (DRDAs) revealed that 3,301¹⁵ DWCRA groups were formed upto 31 March 1999. Of these, 1571¹⁶ groups, to whom revolving fund of Rs 3.06¹⁷ crore advanced

¹⁵ Ambala (134), Faridabad (230), Fatehabad (105), Gurgaon (549), Jhajjar (29), Kaithal (168), Kurukshetra (247), Panchkula (152), Panipat (244), Rewari (380), Rohtak (195), Sirsa (409) and Sonipat (459).

¹⁶ Ambala (112), Faridabad (26), Fatehabad (36), Gurgaon (168), Jhajjar (29), Kaithal (48), Kurukshetra (112), Panchkula (95), Panipat (17), Rewari (360), Rohtak (17), Sirsa (92) and Sonipat (459).

¹⁷ Ambala: Rs 24.10 lakh, Faridabad: Rs 6.50 lakh, Fatehabad: Rs 7 lakh, Gurgaon: Rs 30.60 lakh, Jhajjar: Rs 7.25 lakh, Kaithal: Rs 9.40 lakh, Kurukshetra: Rs 23.60 lakh, Panchkula: Rs 20.55 lakh, Panipat: Rs 4.05 lakh, Rewari: Rs 66.10 lakh, Rohtak: Rs 2.55 lakh, Sirsa: Rs 23 lakh and Sonipat: Rs 81.50 lakh.

during February 1989 to March 1999, were defunct and the amount of revolving fund was lying unspent with them. Though DRDA, Ambala and Panchkula recovered (1998-2004) Rs 33.14¹⁸ lakh from 173 defunct groups, no action had been taken by remaining 11 DRDAs to recover the unspent amount.

DRDAs' failure to recover the unspent amount of Rs 2.73 crore from 1,398 defunct groups for last five years may result in loss to Government with the passage of time.

The draft audit paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, Rural Development Department in December 2003, but reply had not been received (August 2004).

**Home Department
(Director General of Police)**

4.5.2 Drawal of funds in advance of requirement

Due to drawal of funds in advance of requirement, Rs 5.04 crore remained outside the Government Accounts for two years and resulted in a loss of interest of Rs 86.91 lakh.

Financial Rules provide that money should not be drawn from treasury unless required for immediate disbursement or had already been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of work, the completion of which is likely to take a considerable time.

Test-check of records (April 2004) of Director General Of Police (DGP) revealed that the Financial Commissioner and Principal Secretary to Government Haryana, Home Department accorded sanction (March 2002) for Rs 5.04 crore for setting up a Wide Area Network (WAN) and purchase of equipments through approved source for various units in Police department, under the scheme "Modernisation of Police". DGP drew Rs 5.04 crore and deposited (April 2002) with Haryana State Electronics Development Corporation (HARTRON) for the purchase of WAN equipments as per conditions of the approved project.

DGP sent (June 2002) a draft tender notice for this purpose to HARTRON for publication and to take necessary action for setting up the project. However HARTRON invited tenders only in December 2002. The High Powered Purchase Committee (HPCC), after negotiations with the firm, decided (November 2003) to place the order on M/S HCL Info systems Limited for Rupees six crore and accordingly HARTRON placed the order in March 2004. As per supply order no payment was required to be made to the firm in

¹⁸ Ambala: 108 groups: Rs 18.99 lakh and Panchkula: 65 groups: Rs 14.15 lakh.

advance. Fifty *per cent* of the payment was to be made at the time of delivery of hardware at all sites, 30 *per cent* at the time of successful clearance of first acceptance test, 10 *per cent* at the time of second acceptance test and remaining 10 *per cent* at the time of satisfactory completion of three months of the final test.

The firm supplied equipments and accessories, etc. worth Rs 5.57¹⁹ crore and HARTRON paid Rs 2.69 crore only to the firm against above supply in April and May 2004. Balance payment was yet not due to the firm as no acceptance test of the equipment had been conducted by the firm as of July 2004. Remaining funds of Rs 2.35 crore were lying unutilized with HARTRON. Thus, the amount of Rs 2.69 crore was required to be drawn for payment to the firm only in April and May 2004. Evidently, the amount of Rs 5.04 crore was drawn in April 2002 without any immediate requirement only to avoid lapse of budget grant, which was contrary to Financial Rules. Drawal of funds in advance of requirement resulted in loss of interest of Rs 86.91 lakh as of July 2004.

Director General of Police stated (August 2004) that the entire amount was deposited with HARTRON in advance as per guidelines of the Information Technology Department and decision taken in the meeting of IT, PRISM. The purchase of equipments was delayed due to the completion of lengthy formalities at various levels. Department further stated that the acceptance test could only be conducted as and when the BSNL would provide the connectivity. However, the departmental reply did not justify the drawal of funds in advance of requirement contrary to Financial Rules of the State Government.

The draft audit paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, Home Department in May 2004, but reply had not been received (August 2004).

Public Works Department (Buildings and Roads Branch) and Industries Department

4.5.3 *Non-responsiveness to Audit findings and observations resulting in erosion of accountability*

After periodical inspection of the Government departments, Accountant General (Audit) (AG) issues the Inspection Reports (IRs) to the Heads of offices inspected, with a copy to the next higher authorities, who are required to rectify promptly the defects and omissions pointed out and report their compliance to the AG within six weeks. A half-yearly report of pending IRs for more than six months is also sent to the concerned Administrative Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

¹⁹ April 2004: Rs 3.25 crore and May 2004: Rs 2.32 crore.

A review of IRs issued upto March 2004 of 57 divisions of Public Works Department (PWD), Buildings and Roads (B&R) Branch, disclosed that 761 paragraphs of 273 IRs (as per *Appendix XXI*) remained outstanding at the end of June 2004. Of these, 46 IRs containing 54 paragraphs were for more than 10 years old. Divisional Officers of 49 divisions have failed to submit even the initial replies for IRs issued during April 2003 to March 2004.

Similarly, a review of IRs issued upto March 2004 of 36 offices of Industries Department, disclosed that 262 paragraphs of 118 IRs (as per *Appendix XXII*) remained outstanding at the end of March 2004. Of these, 15 IRs containing 22 paragraphs were more than 10 years old.

The Administrative Secretaries of these departments who were informed of the position through half-yearly reports, also failed to ensure prompt and timely action by the departmental officers. Even serious irregularities such as recoverable amounts of Rs 48.85 crore from officers and contractors/agencies due to shortage of material, excess payments, works got completed on risk and cost of the defaulting agencies, etc., in respect of PWD, B&R Branch and Rs 21.65 crore in respect of Industries Department as categorised in *Appendix XXIII and XXIV* remained unsettled as of June 2004.

The Commissioner and Secretary to Government Haryana, Industries Department stated (August 2004) that the officials of the Industries Department have not committed any serious irregularity and efforts are being made to minimise the arrears of old objections. The reply was not tenable as no Audit Committee meetings were arranged to minimise the arrears of old objections.

The draft paragraph was demi-officially forwarded to the Financial Commissioner and Principal Secretary to Government Haryana, PWD, B&R Branch and in June 2004; but reply had not been received (June 2004).

Finance department

4.5.4 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 is invariably indicated at the end of 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 2004, 23 audit paragraphs and six reviews were issued to the Government, which included three draft paragraphs involving recovery of an

amount of Rs 4.40 crore. Reply had not been received in respect of 15 audit paragraphs and five reviews as of August 2004.

4.5.5 *Follow-up on Audit Reports*

According to the 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 2003 revealed that the ARs for the period 1999-2003 were presented to State Legislature in March 2001, March 2002, March 2003, and February 2004 respectively. Of the 164 paragraphs/reviews of 35 Administrative Departments included in ARs 1999-2003, 15 Administrative Departments had not submitted the remedial/corrective ATNs on 52 paragraphs /reviews as per details given in the *Appendix XXV*. Six Administrative Departments, out of those who have submitted the remedial/corrective ATNs have not taken any action to recover the amount of Rs 205.26 crore in respect of nine paragraphs/reviews as per details given in the *Appendix XXVI*.

CHAPTER-V

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT

CHAPTER-V

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT

5.1 Development and Panchayat Departments

Introduction

5.1.1 Internal Control and Internal Audit System safeguards against errors and irregularities in operational and financial matters. It examines and evaluates the level of compliance of the departmental rules and procedures. It also assures senior management on the adequacy of risk management and internal control framework in the department. In Haryana State, no independent centrally controlled internal audit organisation existed. However, major departments have an Internal Audit System where Chief Accounts Officer, Accounts Officers, Section Officers, etc. are provided by the State Finance Department.

Audit of *Panchayats*, under the control of Panchayat Department, is conducted by the Director, Local Funds Accounts, Haryana.

Audit coverage

5.1.2 Records relating to internal control system of *Panchayat* Department and internal audit arrangement of Development Department for the period 1999-2004 were test checked during March – July 2004 in the offices of the Director, *Panchayat* Department and Special Secretary to Government of Haryana, Development Department respectively. The audit findings are discussed in the succeeding paragraphs.

Internal Control System (Panchayat Department)

5.1.3 The Punjab Financial Rules (PFR), Civil Services Rules (CSR), etc., adopted in Haryana, contain consolidated instructions on various controls in relation to financial management and administrative aspects to be exercised at different levels. The Administrative Reforms Department, Haryana had also issued instructions from time to time to all the departments for evolving effective control mechanism.

Administrative control

Audit observed that the administrative control mechanism was not effective as the Director, Panchayat had not conducted prescribed inspection of field offices, had not followed the system of calendar of events/date of returns in the department, had not monitored the execution of works and important records such as complaint register, branch diary, register of cases/letters received/disposed off were not maintained as discussed below:

Inspection of sub-offices by the head of department

5.1.4 As per instructions of Administrative Reforms Department, the periodical inspections of sub-offices were to be carried out by the Head of Department (HOD). The periodicity for such inspection and procedure to be followed for the purpose was to be framed by HOD under advice to the Government. Similarly, the Administrative Secretaries (AS) were to inspect the offices of the HODs. Scrutiny of records revealed that the periodicity and procedure for inspection were not formulated and records of periodical inspection were not maintained either by HOD or by the Administrative Secretaries.

System of Calendars of dates/events not followed

5.1.5 Each Government Office was required to use/attach calendars of dates/events at various levels while submitting the cases/files to higher authorities in the prescribed form to ensure quick disposal and avoid delay in finalisation of cases. Reasons for detaining the files for more than three days were also to be recorded by concerned officers/officials. However, these instructions were not followed and calendars of dates/events were not used in the Department.

Non-maintenance of complaint register

5.1.6 A complaint register was to be maintained in the prescribed form indicating total number of cases at the beginning of the month, cases received during the month, cases disposed off and total number of cases outstanding at the end of each month in Government offices for monthly review of complaints. It was seen that no such register was maintained in the Department.

Non-preparation of calendar of returns/charts of statement

5.1.7 Each Government office was to prepare a calendar of returns/charts of statement to ensure timely submission of returns/statements to concerned authorities. It was noticed that calendar of returns/charts of statement was not prepared in the Panchayat Department. As such timely submission of returns/statements could not be verified in audit.

Non-maintenance of Branch Diary

5.1.8 As per instructions, each Government office is required to maintain a Central Diary as well as Branch Diary to avoid delay in tracing the letters at any stage later on. After diarising all the letters in Central Diary, these letters should be entered in the Branch Diary to watch their movement. It was

noticed that while Central Diary was maintained, Diary at branch level was not maintained in the Department.

Non-submission of disposal register

5.1.9 Each Assistant in the directorate was required to maintain a register of cases received during the month and get it checked on the first of each month from the Branch Incharge/Officer. A list of pending letters was to be prepared and submitted to the Branch Officer so that a close watch could be kept on speedy disposal of cases. Scrutiny revealed that the Assistants did not maintain such registers in the absence of which, the pendency of letters could not be verified in audit.

Non-monitoring of works

5.1.10 As per instructions of the Director of Panchayats, the monitoring of works, which were to be executed under matching scheme as well as out of grants-in-aid was to be done by the Additional Deputy Commissioner (ADC) of each district. Scrutiny of records revealed that neither were the monitoring reports prepared by the concerned ADCs nor were these called for by the Director. In the absence of such reports, it could not be verified in audit whether the monitoring of works was done and the grants were utilised properly. Thus, internal control over works executed under these schemes was lacking.

Maintenance of vehicles

5.1.11 The Controlling Officer is required to maintain a record of all the Government vehicles under his control indicating the registration number, model, engine number, chassis number, date of purchase/receipt, cost, etc. Details showing date-wise expenditure on repairs, spare parts replaced, insurance of the vehicle, etc. were also to be maintained. However, no such records were maintained in respect of any of the two vehicles (Jeep and Car) under the control of Director of Panchayat.

Scrutiny of log books of vehicles revealed that monthly abstract to check fuel consumption was not prepared in respect of one Jeep during 1999-2004. From January 2002 onwards, the journeys were not got verified from the officers/officials who used the vehicle.

Further, inventory of old and used spare parts, tyres and tubes of vehicles was not maintained during 1999-2004.

All Government vehicles should invariably be got insured against 'Third Party Risk', as required under State Government's instructions issued in January 2000. The Panchayat Department did not get the Jeep insured during 1999-2004.

Financial controls

Test-check of records brought out deficiencies in maintenance of cash-book, non-reconciliation of treasury schedules with cash-books, non-drawal of

funds/grants and non-adherence to condition of sanctions for advances for purchase of conveyance/computers as discussed below:

Deficiencies in maintenance of cash-book

5.1.12 Financial Rules provide that each head of office should check the totals of cash-book or get it checked from a responsible subordinate other than the writer of the cash-book and record a certificate in cash book to this effect. The examination of cash-book for the period from 1999-04 maintained at the Directorate revealed the totals of the cash book were not found checked by an officer/official other than the writer of cash book as no such certificate was found recorded in the cash-book.

5.1.13 As laid down in Financial Rules, at the end of each month, the head of the office should physically verify the cash balance in the cash-book and record a certificate to that effect. A monthly abstract of the cash balance should also be prepared and signed by the head of the office. Scrutiny of cash-book of the Directorate office revealed that physical verification of cash balance was done in respect of 20 months out of 60 months during 1999-2004. Further, monthly abstract was not prepared in respect of 37 months during the same period.

Non-reconciliation of treasury schedules with cash-book

5.1.14 As provided in Financial Rules, the head of office was required to ensure that all amounts drawn from the treasury were entered in the cash-book. For this purpose, the head of office/Drawing and Disbursing Officer (DDO) should obtain, from the Treasury Officer, by the 15th of every month, a list (treasury schedule) of all bills drawn by him during the previous month and trace all the amounts in the cash-book and record a certificate on the schedules to that effect. It was noticed that treasury schedules obtained from the treasury officer were not reconciled by the DDO in the Directorate of Panchayat Office with the cash-book during 1999-2004 as no certificate regarding reconciliation was found recorded on the treasury schedules.

Non-drawal of funds/grants

5.1.15 The Government of India, on the recommendations of the 11th Finance Commission, sanctioned Rs 14.71 crore during 2002-03 under Panchayati Raj Institutions (PRI) Scheme, which were further released by the State Government in October 2002. Out of this, Rs 20 lakh meant for Information Technology Plan at Directorate office for the development of data base of this scheme were not drawn by the Director, Panchayats due to oversight and the funds thus lapsed. The Directorate did not maintain the register for expenditure control vis-à-vis budget provision to watch the utilisation of allocated funds as required under the provisions of Budget Manual.

Non-adherence to conditions of sanction of conveyance/computer advance

5.1.16 As per the terms and conditions mentioned in the sanctions, the vehicles/computers should be purchased by the loanees within one/two months of the drawal of advance and the loanees were required to submit mortgage deed, insurance policy, registration copy and seller's invoice in support of purchase of vehicles/computers to the DDO. In case the vehicles/computers

were not purchased within the stipulated period, the entire amount of advance was to be recovered in lumpsum along with penal interest. Scrutiny of records relating to conveyance/computer advances revealed that the necessary documents in respect of 8 cases (out of 16 during 2001-04), involving advance of Rs 4.20 lakh, were not obtained. The amount of advance in lumpsum along with penal interest was also not recovered from the concerned officers/officials.

The conditions of sanction should have been rigorously enforced for which the department should have followed appropriate control mechanism and procedure.

Internal Audit Arrangements (Development Department)

5.1.17 An Internal Audit Wing comprised of one Chief Accounts Officer, one Accounts Officer and five Section Officers functioning under the administrative control of the Financial Commissioner and Principal Secretary to Government Haryana, Development and Panchayat Department, is responsible for conducting internal audit of Panchayat Samities.

Internal Audit Wing was required to conduct audit of accounts of 115 units and to render guidance in respect of proper maintenance of accounts and help in clearance of audit objections.

Test-check of records revealed the lack of audit plan, absence of in-service training to Audit staff, pendency of audit, delay in issue of inspection reports and large number of outstanding audit objections as discussed below:

Planning of internal audit

5.1.18 The department had not fixed any norms to work out the number of mandays required for audit of each unit for drawing audit plan. Selection of priority units was being made by the Internal Audit Wing on the basis of longer pendency of the units.

No training was imparted to the internal audit staff during 1999-2004.

Pendency of audit

5.1.19 The detail of total number of units, units audited and those pending during 1999-2004 was as under:

Sr. No.	Year	Number of units	Number of units audited	Pending for internal audit	Percentage of auditee units
1	1999-2000	111	37	74	33
2	2000-01	113	110	03	97
3	2001-02	114	89	25	78
4	2002-03	114	68	46	60
5	2003-04	115	81	34	70

Special Secretary to Government Haryana, Development and Panchayat Department, while admitting the pendency, stated (April 2004) that the

pendency was due to shortage of staff, assignment of special/detailed audit and restriction of tours beyond fifteen days in a month. The reply was not tenable as there was no shortage of staff in comparison to the sanctioned strength. The department should have planned the time allotment after determining high, medium and low priority units to complete the audit after preparing a scheduled programme according to priority of the units in a phased manner.

Delay in issue of Inspection Reports and settlement of old objections

5.1.20 The Inspection Reports (IRs) were required to be issued to auditee units within six weeks from the completion of audit. Out of 161 IRs test checked, 94 were issued late by one to three months, 36 by four to six months and four by more than six months. Out of 1,929 paragraphs issued during 1999-2004, 634 paragraphs were settled and 1,295 paragraphs were outstanding as of March 2004.

No reasons for delay in issue of IRs were furnished. Even first reply was not received in respect of 56 IRs (April 2004).

Further, no register indicating the date of audit, date of issue of IR, etc. was maintained to watch timely issue of IRs. Consolidated unit-wise data regarding number of paragraphs outstanding and the amount involved therein was also not maintained.

The outstanding paragraphs were increasing every year, which indicated ineffective pursuance of old outstanding objections and also inaction on the part of the auditee units. The lack of monitoring and non-arranging of meetings for clearance of audit objections further aggravated the pendency of Audit Paragraphs. Thus, the internal audit system failed to bring out substantial improvement in the department.

Conclusions

5.1.21 As brought out in the forgoing paragraphs, the internal control system in Panchayat Department was not followed adequately, which was fraught with the risk of serious financial irregularities and mis-management of departmental activities, if not activated in time.

The objectives of the establishment of internal audit system in Development Department largely remained unfulfilled as evidenced by pendency in audit, inordinate delay in issue of audit notes and increase in number of outstanding paragraphs.

Recommendations

5.1.22 Panchayat Department should consider appropriate measures to activate the internal control system by way of:

- prescribing periodicity and procedure for inspection of its sub-offices;

- preparation of calendar of events/returns;
- proper maintenance of cash-book;
- regular reconciliation of drawal of funds with treasury; and
- monitoring the execution of works.

Development Department should consider:

- preparation of proper internal audit plan and fix norms in terms of mandays to be provided for audit of each unit;
- determination of high, medium and low priority units to cover them in a phased manner till adequate staff is sanctioned. Alternatively, the department should also consider recommending to Government for relaxing the restriction of tours beyond 15 days in a month for Internal Audit Wing which in itself may help in completing the Audit of all units within the year; and
- securing compliance of audit objections to make the internal audit effective.

These points were referred to Government in August 2004: their reply had not been received (August 2004).

Chandigarh

Dated:

19 FEB 2005



(Ashwini Attri)

Accountant General (Audit), Haryana

Countersigned



New Delhi

Dated:

10 MAR 2005

(Vijayendra N. Kaul)

Comptroller and Auditor General of India

APPENDICES

Appendix I

(Refer paragraph 1.4; page 5)

Statement showing definitions of terms used in Chapter I

Part A-Government Accounts

I. Structure: The accounts of the State Government are kept in three parts

(i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorization from the State Legislature. This fund consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc.).

Part II. Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund.

Part III. Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes *viz.*, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorized by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

Part B –List of terms used in the Chapter – I and basis for their calculations

Terms	Basis for calculation
Buoyancy of a parameter	$\frac{\text{Rate of Growth of the parameter}}{\text{GSDP Growth}}$
Buoyancy of a parameter (X) with respect to another parameter (Y)	$\frac{\text{Rate of Growth of the parameter (X)}}{\text{Rate of Growth of the parameter (Y)}}$
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$
Trend/Average	Trend of growth over a period of five years (LOGEST (Amount of 1998-99: Amount of 2003-04)-1)*100
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of five years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economics Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest Payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest spread	GSDP growth – Weighted Interest rates
Interest received as <i>per cent</i> to Loans Advanced	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2]*100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payment
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048 – Appropriation for Reduction or Avoidance of Debt

Appendix II

(Refer paragraph 1.7.3; page 14)

Details of utilisation certificates required, received and outstanding

Sr. No.	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
1	Housing	2001-02	8	58.17	-	-	8	58.17
		2002-03	8	52.26	-	-	8	52.26
2	Urban Development	1994-95	34	73.92	-	-	34	73.92
		1995-96	3	3.91	-	-	3	3.91
		1996-97	9	6.83	-	-	9	6.83
		1997-98	28	11.76	-	-	28	11.76
		1998-99	19	585.33	-	-	19	585.33
		1999-2000	173	1,000.98	6	21.79	167	979.19
		2000-01	163	1,218.80	11	54.81	152	1,163.99
		2001-02	500	2,208.61	23	397.61	477	1,811.00
		2002-03	491	5,222.00	88	679.74	403	4,542.26
		3	Irrigation	1998-99	2	100.00	-	-
1999-2000	2			120.00	-	-	2	120.00
2000-01	3			321.68	-	-	3	321.68
2001-2002	3			382.69	-	-	3	382.69
2002-03	3			1,638.61	-	-	3	1,638.61
4	Power	2001-02	5	2,537.36	-	-	5	2,537.36
		2002-03	5	1,880.30	-	-	5	1,880.30
5	Agriculture	2000-01	11	6,425.00	11	6,425.00	-	-
		2002-03	2	7,444.57	2	7,444.57	-	-
6	Rural employment	1999-2000	1	0.47	-	-	1	0.47
		2000-01	10	153.15	-	-	10	153.15
		2001-02	32	2,064.25	18	41.13	14	2,023.12
		2002-03	54	4,911.54	40	4,783.95	14	127.59
7	Development and Panchayat	1997-98	1	11.76	1	11.76	-	-
		1998-99	5	9.74	5	9.74	-	-
		1999-2000	23	51.58	23	51.58	-	-
		2000-01	23	210.23	23	210.23	-	-
		2001-02	42	1,429.75	42	1,429.75	-	-
		2002-03	3	502.06	-	-	3	502.06
8	Economical and Statistical Advisor	1999-2000	1	5.39	1	5.39	-	-
		2000-01	9	1.27	9	1.27	-	-
		2001-02	38	1,000.00	28	974.78	10	25.22
		2002-03	36	12.43	-	-	36	12.43

Sr. No.	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
9	Medical	1991-92	1	5.00	-	-	1	5.00
		1992-93	2	35.00	-	-	2	35.00
		1993-94	13	250.15	-	-	13	250.15
		1994-95	16	232.96	-	-	16	232.96
		1995-96	9	74.82	-	-	9	74.82
		1998-99	2	18.93	-	-	2	18.93
		2000-01	4	7.39	-	-	4	7.39
		2001-02	25	7.21	-	-	25	7.21
		2002-03	33	434.14	14	66.56	19	367.58
10	Education	2001-02	68	5,190.69	66	5,187.19	2	3.50
		2002-03	409	17,352.67	311	17,343.27	98	9.40
11	Revenue	1992-93	3	60.00	3	60.00	-	-
		1995-96	1	4.34	1	4.34	-	-
		1998-99	1	50.50	1	50.50	-	-
		2000-01	3	95.00	3	95.00	-	-
		2001-02	8	372.72	-	-	8	372.72
		2002-03	7	2.37	4	1.92	3	0.45
12	Social Security and Welfare	1996-97	12	666.09	6	24.18	6	641.91
		1997-98	31	285.55	12	23.98	19	261.57
		1998-99	23	431.44	18	59.19	5	372.25
		1999-2000	37	1,773.89	16	78.71	21	1,695.18
		2000-01	29	965.54	-	-	29	965.54
		2001-02	87	1,497.09	67	237.91	20	1,259.18
		2002-03	109	1,191.44	2	2.71	107	1,188.73
13	Technical Education	2001-02	29	1,496.54	29	1,496.54	-	-
		2002-03	26	1,390.18	26	1,390.18	-	-
14	Sports	1999-2000	9	15.38	9	15.38	-	-
		2000-01	2	81.01	2	81.01	-	-
		2001-02	7	152.50	2	101.59	5	50.91
		2002-03	7	270.48	4	233.90	3	36.58
15	Science and Technology	1993-94	1	1.00	-	-	1	1.00
		1999-2000	1	4.42	1	4.42	-	-
		2001-02	5	84.75	4	83.75	1	1.00
		2002-03	10	159.32	10	159.32	-	-
16	Ecology and Environment	1997-98	3	12.89	2	12.55	1	0.34
		1998-99	4	16.66	1	12.45	3	4.21
		1999-2000	3	8.94	3	8.94	-	-
		2000-01	1	6.62	1	6.62	-	-
		2001-02	3	0.98	3	0.98	-	-
		2002-03	4	0.25	-	-	-1	0.25

Sr. No.	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
17	Tourism	2000-01	2	42.00	2	42.00	-	-
		2001-02	2	42.00	2	42.00	-	-
		2002-03	2	42.00	-	-	2	42.00
18	Public Health	1996-97	11	9,066.38	11	9,066.38	-	-
		2000-01	55	1,443.30	55	1,443.30	-	-
		2001-02	544	14,402.86	498	12,471.48	46	1,931.38
		2002-03	556	15,895.32	-	-	556	15,895.32
19	Art and Culture	2002-03	1	1.00	-	-	1	1.00
20	Animal Husbandry	2001-02	1	20.00	1	20.00	-	-
		2002-03	12	600.25	9	390.00	3	210.25
21	Fisheries	2001-02	16	222.12	15	220.67	1	1.45
		2002-03	19	275.14	-	-	19	275.14
22	Non-conventional sources of energy	1993-94	1	1.99	-	-	1	1.99
		1996-97	1	1.72	1	1.72	-	-
		2000-01	1	1.29	1	1.29	-	-
		2001-02	3	48.64	2	47.95	1	0.69
		2002-03	8	61.44	7	60.69	1	0.75
23	Village and Small Scale Industries	1998-99	4	39.41	-	-	4	39.41
		1999-2000	14	296.85	-	-	14	296.85
		2000-01	12	308.24	-	-	12	308.24
		2001-02	9	79.20	1	4.00	8	75.20
		2002-03	24	1,395.09	-	-	24	1,395.09
24	Civil Aviation	2002-03	18	45.00	18	45.00	-	-
Total Say			4111	1,20,694.49	1575	73,242.67	2536	47,451.82
				1,206.95 crore		732.43 crore		474.52 crore

Appendix III

(Refer paragraph 1.7.4; page 15)

Details with status of accounts submitted by Autonomous bodies to State Legislature

Sr. No.	Name of the body	Period of entrustment of audit of accounts to CAG	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	Reasons for non-finalisation of Audit Reports
1.	Haryana Khadi and Village Industries (Board), Manimajra, Chandigarh	2002-03 to 2006-07	2002-03 to 2003-04	2001-02	2000-01	2000-01	*
2.	Haryana Labour Welfare Board, Chandigarh	1998-99 to 2002-03		2002-03	2001-02	1999-2000	* Reminder issued on 9.8.2004 for re-entrustment of audit of its accounts.
3.	Haryana Urban Development Authority, Panchkula	1997-1998 to 2001-02 to 2002-03 to 2006-07	2000-01 to 2001-02 to 2002-03 to 2003-04	1999-2000	1999-2000	1999-2000	*
4.	Haryana Housing Board, Panchkula	1999-2000 to 2003-04	2003-04	2002-03	2001-02	2001-02	*
5.	Haryana State Agricultural Marketing Board, Panchkula	2000-01 to 2004-05	2000-01 to 2001-02 to 2002-03 to 2003-04	1999-2000	1999-2000	Not yet submitted	* Accounts for 2000-01 are to be re-submitted
6.	Mewat Development Agency, Nuh, (Gurgaon)	2000-01 to 2004-05	2000-01 to 2001-02 to 2002-03 to 2003-04	1999-2000	1999-2000	Not applicable	*
7.	Haryana State Legal Service Authority, Chandigarh	1996-97 to 2000-01 ¹	1996-97 to 2003-04	-	-	-	* Accounts not submitted since 1996-97
8.	Haryana Urdu Akademi, Panchkula	1996-97 to 2000-2001 and 2001-02 to 2005-06	1996-97 to 2003-04	-	-	-	* -do-

- ⊙ Matter reported to the Government of Haryana, Finance Department for submission of approved accounts/non laying of certified accounts on the table of State Legislature.

¹ No further entrustment is required, as the audit is required to be undertaken under section 19(2) of CAG's Act 1971.

Appendix IV

(Refer paragraph 1.7.5; page 15)

Statement showing names of bodies and authorities the accounts of which had not been received

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	Municipal Committee, Bahadurgarh	1986-87	35.93
		1993-94	34.08
		1996-97	50.00
		1997-98	25.95
		1999-2000	49.50
		2000-01	48.93
		2003-04	304.10
2	Municipal Committee, Bhiwani	1987-88	36.40
		1988-89	33.25
		1989-90	36.00
		1995-96	50.00
		1997-98	27.56
		1998-99	72.00
		1999-2000	1,156.87
		2000-01	247.58
		2002-03	169.48
2003-04	182.25		
3	Municipal Committee, Karnal	1982-83	7.00
		1988-89	32.61
		1997-98	36.12
		1998-99	26.25
		2000-01	60.08
		2001-02	57.73
		2002-03	62.67
		2003-04	39.84
4	Municipal Committee, Narnaul	1988-89	25.30
		1989-90	28.63
		1997-98	36.12
		1998-99	26.25
		2000-01	60.08
		2001-02	75.88
5	Municipal Committee, Rohtak	1987-88	34.00
		1988-89	37.61
		1989-90	32.35
		1996-97	25.08
		1997-98	78.44
		1999-2000	266.56
		2000-01	197.41
		2001-02	101.20
		2002-03	155.48
		2003-04	162.45

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
6	Municipal Corporation, Faridabad	1995-96 1996-97 1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04	39.38 50.00 30.00 669.00 394.00 111.61 93.29 175.14
7	Municipal Committee, Sonipat	1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04	69.93 326.25 263.23 167.82 132.73 70.77
8	Municipal Committee, Jagadhri	1996-97 1998-99 1999-2000 2000-01 2001-02 2002-03	50.00 26.25 28.15 108.53 131.66 27.69
9	Municipal Committee, Panipat	1996-97 1998-99 1999-2000 2000-01 2002-03 2003-04	65.00 528.00 306.30 146.26 55.65 78.09
10	Municipal Committee, Hisar	1996-97 1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04	50.00 48.31 58.25 61.81 176.93 207.76 40.07
11	Municipal Committee, Gurgaon	1996-97 1997-98 1998-99 1999-2000 2000-01 2002-03 2003-04	31.69 42.78 471.25 235.76 170.38 34.96 86.01
12	Municipal Committee, Yamunanagar	1998-99 1999-2000 2000-01 2001-02 2002-03 2003-04	350.00 578.66 172.96 273.05 419.51 26.77

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
13	Municipal Committee, Palwal	1995-96 1998-99 1999-2000 2000-01 2003-04	50.00 30.00 105.00 62.75 41.49
14	Municipal Committee, Charkhi Dadri	1995-96 1999-2000 2000-01 2001-02	33.33 50.00 43.14 50.00
15	Municipal Committee, Rewari	1996-97 1997-98 1999-2000 2000-01 2003-04	50.00 38.82 229.73 84.17 48.40
16	Municipal Committee, Barwala	1996-97 1999-2000 2000-01 2001-02	33.33 50.00 31.04 70.54
17	Municipal Committee, Thanesar	1997-98 1999-2000 2000-01 2002-03 2003-04	31.81 26.76 80.81 126.28 31.01
18	Municipal Committee, Ambala City	1998-99 2000-01 2002-03 2003-04	70.25 676.27 145.80 208.56
19	Municipal Committee, Ambala Cantt	2002-03	26.43
20	Municipal Committee, Kurukshetra	1998-99	33.75
21	Municipal Committee, Kaithal	1998-99 1999-2000 2000-01 2003-04	62.25 638.42 98.95 198.12
22	Municipal Committee, Gannaur	2002-03	41.16
23	Municipal Committee, Gohana	1999-2000 2001-02 2003-04	70.00 35.90 119.24
24	Municipal Committee, Bawani Khara	1998-99 1999-2000	32.03 40.00
25	Municipal Committee, Kharkhoda	1998-99	50.00
26	Municipal Committee, Pehowa	1999-2000 2000-01 2001-02 2002-03	36.16 41.81 32.67 50.00
27	Municipal Committee, Jhajjar	1999-2000	180.00
28	Municipal Committee, Safidon	2000-01 2003-04	81.62 110.28

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
29.	Municipal Committee, Sirsa	2001-02 2002-03 2003-04	48.66 127.27 26.06
30	Municipal Committee, Dabwali	2002-03 2003-04	140.23 158.58
31	Municipal Committee, Taoru	1999-2000	40.00
32	Municipal Committee, Uchana	1999-2000	30.00
33	Municipal Committee, Asandh	1999-2000 2003-04	120.00 74.54
34	Municipal Committee, Naraingarh	1999-2000 2002-03	34.79 59.62
35	Municipal Committee, Kalanaur	1999-2000	40.00
36	Municipal Committee, Tosham	1999-2000	28.40
37	Municipal Committee, Ratia	1999-2000	30.00
38	Municipal Committee, Shahabad	2000-01 2003-04	73.04 158.64
39	Municipal Committee, Ladwa	2000-01	45.16
40	Municipal Committee, Tohana	2001-02	137.98
41	Municipal Committee, Meham	2000-01 2003-04	31.06 64.41
42	Municipal Committee, Sohna	2000-01	37.58
43	Municipal Committee, Narwana	2000-01 2003-04	60.58 51.00
44	Municipal Committee, Hansi	2000-01 2001-02 2002-03 2003-04	108.50 105.25 83.89 138.08
45	Municipal Committee, Mohindergarh	2000-01	38.55
46	Municipal Committee, Jind	2000-01 2001-02 2002-03 2003-04	135.63 73.50 57.39 25.01
47	Municipal Committee, Fatehabad	2000-01 2002-03	50.23 40.16
48	Municipal Committee, Ellenabad	2000-01	43.10
49	Municipal Council, Panchkula	2001-02	116.06
50	Municipal Committee, Cheeka	2003-04	158.28
51	Municipal Committee, Indri	2003-04	74.01
52	Municipal Committee, Pinjore	2003-04	34.60
53	Shri Bhuteshwar Temple Tirath, Jind	1994-95	25.29
54.	Aravali Vikas Sangathan, Gurgaon	1995-96	100.00
55	Software Technology Park of India, New Delhi	2002-03	250.00

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
56	Haryana Slum Clearance Board, Chandigarh	1998-99	700.48
57	Rajay Sainik Vocal Training Centre, Panchkula	1998-99 2003-04	46.25 54.91
58	District Council for Child Welfare, Rewari	1999-2000	38.75
59	Fish Farm Development Agency, Gurgaon	2000-01	45.85
60	Charitable Endowment, Haryana, Manimajra	2001-02 2002-03	478.00 478.00
61	Society for I.T. Initiative fund for Governance, Chandigarh	2002-03 2003-04	165.55 60.00
62	Haryana Energy Development Agency, Chandigarh	2001-02 2002-03 2003-04	67.30 41.50 384.37
63.	Maharaja Aggarsain Institute of Medical Education & Research, Agroha (Hisar)	2003-04	69.48
64	Board of Trustees (SOS) Childrens Villages Bal Gram Rai (at Chd)	2003-04	240.00
65	Secretary Rajya Sainik Board, Karnal	2003-04	54.91
Private Aided Colleges			
66	S.L.D.A.V. College of Education, Ambala City	2000-01 2001-02 2002-03 2003-04	38.65 54.59 73.24 33.49
67	SM Lubana Khalsa Girls College, Barara (Ambala)	2000-01 2001-02 2002-03 2003-04	38.20 40.55 33.65 44.20
68	M.P.N. College, Mullana (Ambala)	2003-04	52.97
69	Maharaja Aggarsein College, Jagadhri	2003-04	49.13
70	DAV College, Sadhaura	2000-01 2001-02 2002-03 2003-04	40.70 53.06 50.75 60.23
71	M.L.N. College, Radaur	2002-03 2003-04	41.98 48.66
72	Adarsh Mahila M.V., Bhiwani	2000-01 2001-02 2002-03 2003-04	88.75 98.80 120.60 122.30
73	K.M. College of Education, Bhiwani	2001-02 2002-03 2003-04	31.35 27.74 30.23

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
74	APJ Saraswati College of Education, Charkhi Dadri	2001-02 2003-04	35.92 40.73
75	B.L.J. Suiwala College, Tosham	2003-04	30.20
76	RLS College of Education, Sidhrawali (Gurgaon)	2003-04	49.86
77	DAV Centenary College, Faridabad	2002-03 2003-04	38.78 70.75
78	Saraswati Mahila Mahavidyala, Palwal	2000-01 2001-02 2002-03 2003-04	31.63 36.30 44.11 41.54
79	SD Mahila Mahavidyalya, Hansi	2002-03 2003-04	54.66 61.26
80.	CR College of Education, Hisar	1999-2000 2000-01 2003-04	26.40 27.50 31.37
81	SD Mahila Mahavidyalya, Narwana (Jind)	2000-01 2002-03 2003-04	27.95 26.43 37.15
82	DAV College, Pundri (Kaithal)	1999-2000 2000-01 2001-02 2002-03 2003-04	30.00 32.75 39.10 42.46 43.57
83	DAV College, Cheeka (Kaithal)	2003-04	50.20
84	Kanya Mahavidyalya, Dhand (Kaithal)	1999-2000 2000-01 2001-02 2002-03 2003-04	31.40 36.05 34.60 40.78 50.24
85	Bhagwan Parshu Ram College, Kurukshetra	1999-2000 2000-01 2002-03 2003-04	37.30 44.30 44.30 67.43
86	RDS Public Girls College, Rewari	1998-99 1999-2000 2000-01 2001-02 2002-03 2003-04	39.30 30.40 29.55 38.55 30.42 67.50
87	SP College of Education, Rewari	2003-04	26.95
88	GB Degree College, Rewari	1996-97 1997-98 1998-99	29.90 31.70 31.30
89	CR College of Education, Rohtak	2003-04	67.99
90	MK Jat Kanya Mahavidyalya, Rohtak	2003-04	72.32

Sr. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
91	Guru Hari Singh Mahavidyalya, Jiwan Nager, Sirsa	2003-04	42.06
92	Vaish Arya Kanya Mahavidyalya, Bhadurgarh (Jhajjar)	2003-04	44.02
93	M.A College for Women, Jhajjar	2000-01 2001-02 2002-03 2003-04	40.70 46.40 40.43 50.98
94	TR College of Education, Sonpat	2000-01 2003-04	29.10 26.09
95.	BPS College of Education, Khanpur Kalan	2000-01 2003-04	26.40 25.00
96.	T.R. Girls College, Sonipat	1999-2000 2003-04	33.10 46.60
97.	DAV College of Education for Women, Karnal	2003-04	118.62
98.	KL Mehta DN College for Women, Faridabad	2003-04	124.53
99.	CIS Kanya Mahavidhalya, Fatehpur Pundri (Kaithal)	2003-04	67.10

Appendix V

(Refer paragraph 1.7.6; page 15)

Details and status of grants-in-aid released by State Government

Sr. No.	Name of the Department	Total number of bodies	Did not render the accounts/year of accounts	Did not render accounts in prescribed format	Did not utilise 50 per cent of grants given in a year	Which diverted/misutilised the funds (including grants released by GOI)/amount diverted/misutilised	Defaulted repayment of loans/amount overdue (Rupees in crore)	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	Grant paid (Rupees in crore)
1	2	3	4	5	6	7	8	9	10	11	12
1.	Medical	12	12	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.05
2.	Technical Education	7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	11.67
3.	Agriculture	1	1	Nil	*	*	Nil	*	*	Nil	0.02
4.	Sports	53	53	Nil	*	*	Nil	Nil	*	Nil	1.60
5.	Urban Development	69	69	Nil	*	*	Nil	Nil	*	Nil	32.94
6.	Rural Development	19	Nil	Nil	Nil	*	Nil	Nil	Nil	Nil	24.28
7.	Education	103	103	Nil	*	*	Nil	Nil	*	Nil	136.13
8.	Science and Technology	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3.08
9.	Animal Husbandry	4	4	Nil	*	*	Nil	Nil	Nil	Nil	4.85
	Total	270	242		*	*	-				216.62

* Information called for from the department and still awaited.

Appendix VI

(Refer paragraph 1.7.7; page 15)

Department-wise/year-wise break-up of the cases in which final action was pending at the end of June 2004

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
Animal Husbandry	2 (0.54)	1 (2.91)	3 (0.30)	1 (0.09)	-	-	7 (3.84)
Education	14 (6.90)	5 (2.64)	7 (3.70)	2 (0.62)	5 (2.59)	2 (0.94)	35 (17.39)
Finance	1 (2.79)	-	-	-	-	-	1 (2.79)
Fisheries	1 (8.06)	-	1 (2.28)	-	-	-	2 (10.34)
Food and Supplies	-	1 (1.22)	1 (0.27)	2 (4.75)	-	-	4 (6.24)
Forest	7 (9.43)	4 (4.91)	2 (0.71)	6 (1.04)	1 (0.15)	-	20 (16.24)
Irrigation	19 (16.05)	9 (0.41)	29 (5.67)	30 (5.74)	12 (2.66)	1 (0.03)	100 (30.56)
Labour and Employment	-	-	1 (0.02)	1 (0.14)	-	-	2 (0.16)
Medical and Public Health	1 (0.01)	1 (-)	2 (11.92)	-	-	-	4 (11.93)
Public Health	1 (-)	3 (0.24)	8 (1.73)	12 (1.23)	11 (3.15)	1 (-)	36 (6.35)
Public Relations	1 (0.08)	-	-	-	-	-	1 (0.08)
Public Works (B&R)	2 (0.71)	2 (0.40)	1 (0.04)	2 (2.31)	1 (0.03)	-	8 (3.49)
Revenue	2 (10.52)	-	-	-	-	-	2 (10.52)
Social Welfare	-	-	1 (-)	-	-	-	1 (-)
Sports and Youth Welfare	1 (0.87)	-	-	-	-	-	1 (0.87)
Technical Education	13 (31.91)	1 (0.93)	-	-	-	-	14 (32.84)
Transport	1 (3.17)	3 (13.04)	4 (1.57)	1 (0.60)	2 (0.25)	2 (0.25)	13 (18.88)
Total	66 (91.04)	30 (26.70)	60 (28.21)	57 (16.52)	32 (8.83)	6 (1.22)	251 (172.52)

(Figures in bracket are Rupees in lakh)

Appendix VII

(Refer paragraph 1.7.7; page 15)

Department-wise details in respect of cases relating to theft, misappropriation/loss of Government material and fire/accident at the end of June 2004

Name of the Department	Theft cases		Misappropriation/loss of Government material		Fire/Accident	
	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
Animal Husbandry	2	2.93	4	0.91	1	-
Education	27	12.99	8	4.40	-	-
Finance	1	2.79	-	-	-	-
Fisheries	-	-	1	2.28	1	8.06
Food and Supplies	-	-	-	-	4	6.24
Forest	4	4.88	-	-	16	11.36
Irrigation	63	7.87	29	11.94	8	10.75
Labour and Employment	2	0.16	-	-	-	-
Medical and Public Health	1	0.01	1	-	2	11.92
Public Health	26	4.49	8	1.20	2	0.66
Public Relations	-	-	-	-	1	0.08
Public Works (B&R)	5	1.15	3	2.34	-	-
Revenue	-	-	2	10.52	-	-
Social Welfare	-	-	1	-	-	-
Sports and Youth Welfare	1	0.87	-	-	-	-
Technical Education	12	21.17	1	11.38	1	0.29
Transport	5	13.30	7	4.98	1	0.60
Total	149	72.61	65	49.95	37	49.96

Appendix VIII

(Refer paragraph 1.8.4; page 17)

Details of Statutory Corporations and Government Companies with Government investments which are in loss

		Investment (upto 2002-03)	Accumulated Loss	Year of Account
		(Rupees in crore)		
I.	Statutory Corporations			
1	Haryana Financial Corporation, Chandigarh.	32.38	91.96	2001-02
II.	Government Companies			
1	Haryana Dairy Development Corporation Limited, Chandigarh.	5.57	6.74	2000-01
2	Haryana State Minor Irrigation (Tubewells) Corporation Limited, Chandigarh.	10.89	112.79	1999-2000
3	Haryana State Handloom and Handicrafts Corporation Limited, Chandigarh.	2.65	5.89	1999-2000
4	Haryana Tanneries Limited, Chandigarh.	0.67	10.55	2000-01
5	Haryana Scheduled Castes and Finance Development Corporation Limited, Chandigarh.	26.66	5.80	1999-2000
6	Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited, Chandigarh.	9.21	3.77	1998-99
7	Haryana Vidhyut Prasaran Nigam Limited, Panchkula.	575.83	248.42	2002-03
8	Haryana Power Generation Limited, Panchkula.	475.23	51.91	2001-02
9	Dakshin Haryana Bijli Vitran Nigam Limited, Hisar.	68.36	402.36	2002-03
10	Uttar Haryana Bijli Vitran Nigam Limited, Panchkula.	97.64	283.76	2002-03
11	Pig Iron Project, Hisar.	0.17	0.02	2002-03
12	Haryana State Small Industries and Export Corporation, Chandigarh.	1.81	4.01	2000-01
13	Haryana Roads and Bridges Corporation Limited, Chandigarh.	70.12	52.33	2002-03
	Total	1,377.19	1,280.01	

Appendix IX

(Refer paragraph 2.1.7; page 34)

Statement of various grants/appropriations where expenditure exceeded the original provision by Rupees five crore or more and also by more than 10 per cent of original provision

Sr. No.	Number and name of grants/appropriations	Head of account	Amount of excess expenditure/Percentage of provision within brackets (Rupees in crore)
1	4-Revenue	4711-Capital Outlay on Flood Control Projects 01-Flood Control 800-Other Expenditure 99-Flood Protection and Disaster Preparedness	17.56 (117)
2	6-Finance	2049-Interest Payments 01-Interest on Internal Debt 200-Interest on other Internal Debts 91-8.5 per cent Tax Free Special Bonds of the State Government (Power Bonds)	171.89 (17189)
3		2048-Appropriation for reduction or avoidance of debt 101-Sinking Funds 99-Amortisation of Market Loans -Transfer to sinking fund and Deposit Accounts	6.42 (30.57)
4	8-Buildings and Roads	2059-Public Works 80-General 799-Suspense	8.72 (1744)
5		3054-Roads and Bridges 80-General 797-Transfers to/from Reserve Funds/Deposit Account 99-Transfer to/from Central Road Fund Inter Account Transfer	10.95 (1095)
6		5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 98-Rural Roads	102.74 (484.62)
7		4059-Capital Outlay on Public Works 60-Other Buildings 051-Construction 99-Public Works	15.89 (706.22)
8	9-Education	2202-General Education 02-Secondary Education 110-Assistance to Non-Government Secondary Schools 97-Payment of grants-in-aid to Non-Government Schools on account of revision of pay scale (Kothari grant)	7.89 (35.86)
9		2203-Technical Education 104-Assistance to non-Government Technical Colleges and Institutes 76-Establishment of Ch. Devi Lal Memorial Engineering College, Paniwala Mota (Sirsa)	5.50 (220)

Sr. No.	Number and name of grants/appropriations	Head of account	Amount of excess expenditure/Percentage of provision within brackets (Rupees in crore)
10	10-Medical and Public Health	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programme 97-Rural Water Supply Programme	17.26 (17.32)
11		4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 101-Urban Water Supply 99-Urban Water Supply	77.15 (425.30)
12	13-Social Welfare and Rehabilitation	2236-Nutrition 02-Distribution of nutritious food and beverages 101-Special Nutrition Programmes 96-Nutrition Component	6.00 (17.84)
13	15-Irrigation	2701-Major and Medium Irrigation 01-Major Irrigation Commercial 108-Jawahar Lal Nehru Canal Project 98-Energy Charges	50.16 (596.43)
14		001-Direction and Administration Irrigation 97-Execution	19.20 (19.02)
15		01-Major Irrigation-Commercial 800-Other Expenditure 97-Improved upgradation, operation and maintenance of Channels	15.50 (1550)
16		2801-Power 05-Transmission and Distribution 800-Other expenditure 98-Accelerated Development Programme	5.98 (12.47)
17		4701-Capital outlay on Major and Medium Irrigation 01-Major Irrigation Commercial 209-Improvement of old/existing channels 99-Construction-RIDF	65.12 (100.18)
18		225-Rehabilitation of Existing Channels/Drainage system in State 99-Construction	30.65 (195.60)
19	21-Community Development	3604-Compensation and assignments to Local Bodies and Panchayati Raj Institutions 200-Other Miscellaneous Compensations and Assignments 93-Assignments of Local Area Development Tax (LADT) proceeds to Urban Local Bodies	30.00 (3000)
20	Public Debt	6004-Loans and Advances from the Central Government 01-Non-Plan Loans 102-Share of Small Savings Collections	1,359.11 (257.79)

Sr. No.	Number and name of grants/appropriations	Head of account	Amount of excess expenditure/Percentage of provision within brackets (Rupees in crore)
21		6003-Internal Debt of the State Government 107-Loans from the State Bank of India and Other Banks	650.00 (68.42)
22	25-Loans and Advances by State Government	6801-Loans for Power Projects 205-Transmission and Distribution 93-Loans from NABARD for Power Projects	2,027.49 (10,137.45)
23		95-Loans for Accelerated Power Development Programme (APDP)	17.91 (37.35)
24		6851-Loans for Village and Small Industries 102-Small Scale Industries 99-Interest free loans in lieu of deferred sales tax	88.54 (88,54,000)

Appendix X

(Refer paragraph 2.1.8; page 34)

Statement of various grants/appropriations where expenditure fell short by more than Rupees 10 crore in each case and also by more than 10 per cent of the provision

Sr. No.	Number and name of grants/appropriations	Major/Minor Head of Account, etc.	Original provision	Savings (per cent)
			(Rupees in crore)	
1	3-Home	2055-Police 155-Modernisation of Police force 99-Purchase of equipment	30.00	19.80 (66)
2	6-Finance	2049-Interest Payments 01-Interest on Internal Debt 200-Interest on other internal debts 95-Loans from State Bank of India and other Banks	200.00	85.83 (43)
3		04-Interest on Loans and Advances from Central Government 104-Interest on Loans for non-plan schemes 99-Small Saving Collections	372.14	76.89 (20.66)
4		03-Interest on Small Savings, Provident Funds, etc. 104-Interest on State Provident Funds, etc. 99-Interest on State Provident Fund to Government Servants other than All India Services Officers	455.76	79.00 (17.33)
5		01-Interest on Internal Debt 115-Interest on Ways and Means Advances from Reserve Bank of India 99- Ways and Means Advances from Reserve Bank of India	17.60	17.34 (98.52)
6		8-Buildings and Roads	3054-Roads and Bridges 80-General 001-Direction and Administration 99-Prorata transfer of Establishment charges transferred from Major Head-2059 – Public Works	71.60
7	8-Buildings and Roads	5054-Capital Outlay on Roads and Bridges 03-State Highways 337-Road Works	174.32	47.47 (27.23)
8		04-District and Other Roads 337-Road Works 99-District Roads	88.00	45.26 (51.43)
9		4059—Capital Outlay on Public Works 01-Office Buildings 051-Construction 99-District Administration	27.84	20.36 (73.13)
10		4216-Capital Outlay on Housing 01-Government Residential Buildings 106-General Pool Accommodation 98-District Administration	12.10	11.44 (94.55)

Sr. No.	Number and name of grants/appropriations	Major/Minor Head of Account, etc.	Original provision	Savings (per cent)
			(Rupees in crore)	
11	9-Education	2202-General Education 01-Elementary Education 101-Government Primary Schools 90-Sarva Shiksha Abhiyan	160.00	137.01 (85.63)
12		800-Other expenditure 96-Mid-day Meal for Primary School Children	50.00	47.11 (94.22)
13		02-Secondary Education 110-Assistance to Non-Government Secondary Schools 99-Maintenance grants to schools (Aided)	14.60	14.60 (100)
14		109-Government Secondary Schools 94-Area Incentive Programme for Educationally Backward Minority	23.09	13.10 (56.73)
15		03-University and Higher Education 103-Government Colleges and Institutes 99-Institutes	72.76	14.04 (19.30)
16	10-Medical and Public Health	2210-Medical and Public Health 01-Urban Health Services Allopathy 110-Hospital and Dispensaries 76-Grant of Financial Assistance for setting up of Trauma Centre at General Hospital, Sirsa	15.75	15.75 (100)
17		4215-Capital Outlay on Water Supply and Sanitation 02-Sewerage and Sanitation 101-Urban Sanitation Services 92 Sewerage Treatment (YAP)	15.00	10.00 (66.67)
18	14-Food and Supplies	4408-Capital Outlay on Food Storage and Warehousing 01-Food 101-Procurement and Supply 99-Grain Supply Scheme	1,156.20	171.66 (14.85)
19		97-Interest on Capital	200.00	110.71 (55.36)
20	15-Irrigation	2701-Major and Medium Irrigation 02-Major Irrigation Non-Commercial 001-Direction and Administration 97-Execution	28.17	26.56 (94.28)
21		01-Major Irrigation commercial 104-Loharu Canal Project 98-Energy Charges	23.30	16.68 (71.59)
22		103-Jui Canal Project 98-Energy Charges	16.90	13.39 (79.23)
23		2702-Minor Irrigation 02-Ground Water 103-Tubewells 99-Loans for Power Project Transmission and Distribution of Lines	15.26	10.12 (66.32)

Sr. No.	Number and name of grants/ appropriations	Major/Minor Head of Account, etc.	Original provision	Savings (per cent)
			(Rupees in crore)	
24		2701-Major and Medium Irrigation 02-Major Irrigation Non-Commercial 800-Other expenditure 97-Improved upgradation operation and maintenance of Channels – Irrigation	22.85	22.85 (100)
25		4701-Capital Outlay on Major and Medium Irrigation 01-Major Irrigation Commercial 113-Modernisation and Lining of Canal System in Haryana 99-Construction	15.33	15.33 (100)
26	17-Agriculture	2705-Command Area Development 190-Assistance to Public Sector and other Undertakings 96- Area Development Programme (CADA) for Jui Canal Area (50 per cent basis)	40.00	29.58 (73.95)
27		101-Mewat Development Board 98-Mewat Development Project International Funds for Agriculture Development-Rome	22.00	14.00 (63.64)
28	18-Animal Husbandry	2403-Animal Husbandry 101-Veterinary Services and Animal Health 72-Creation of Disease Free Zone	24.00	24.00 (100)
29	21-Community Development	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 200-Other Miscellaneous Compensation and Assignments 95-Assignment of Excise Duty to Panchayat Samities in lieu of tax on sale of Country Liquor	14.00	14.00 (100)
30	Public Debt	6003-Internal debt of the State Government 110-Ways and Means Advances from the Reserve Bank of India	2,000.00	1761.02 (88.05)
31	25-Loans and Advances by State Government	6801-Loans for Power Projects 205-Transmission and Distribution 98-Loans to Haryana Vidyut Prasaran Nigam Limited	12.50	12.50 (100)

Appendix XI

(Refer paragraph 2.1.11; page 35)

Details of surrender in excess of actual savings in the grants

Sr. No.	Name of the grant	Savings (-) /Excess (+)	Amount surrendered	Excess fund surrendered
		(Rupees in crore)		
Revenue (Voted)				
1	4-Revenue	17.45	21.22	3.77
2	6-Finance	61.83	64.28	2.45
3	7-Other Administrative Services	0.86	1.04	0.18
4	10-Medical and Public Health	22.69	31.64	8.95
5	19-Fisheries	0.34	0.36	0.02
6	21-Community Development	7.13	8.36	1.23
Capital (Voted)				
7	7-Other Administrative Services	(-) 0.17	0.03	0.20
8	8-Buildings and Roads	39.62	111.98	72.36
9	10-Medical and Public Health	(-) 39.56	20.99	60.55
10	15-Irrigation	(-) 78.37	21.21	99.58
	Total	31.82	281.11	249.29

Appendix XII

(Refer paragraph 2.1.12; page 35)

Cases of injudicious re-appropriation of funds resulting in excesses/savings by more than Rupees 50 lakh in each case

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation	Actual expenditure	Excess (+)/ Saving (-)
Injudicious re-appropriations					
1.	2-General Administration	2053-District Administration 093-District Establishments 99-Establishment	(O) 34.50 (S) 1.10 (R)(-) 1.26 34.34	34.90	(+) 0.56
2.	3-Home	2055-Police 115-Modernisation of Police Force 99-Purchase of Equipment	(O) 30.00 (R)(-) 18.74 11.26	10.20	(-) 1.06
3.		2056-Jails 800-Other Expenditure 99-Modernisation of Prisons	(O) 0.50 (S) 0.53 1.03	0.36	(-) 0.67
4.	4-Revenue	2245-Relief on account of Natural Calamities 02-Flood, Cyclones etc. 282-Public Health 98-Public Health	(O) 0.30 (R) 0.20 0.50	1.21	(+) 0.71
5.	6-Finance	2071-Pensions and other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowances	(O) 525.32 (R)(-) 34.58 490.74	494.10	(+) 3.36
6.		102-Commuted value of Pensions	(O) 90.27 (R)(-) 17.81 72.46	71.72	(-) 0.74
7.		2049-Interest Payments 04-Interest on Loans and Advances from Central Government 104-Interest on Loans for Non-Plan Schemes 95-Police-Modernisation of Police Force	(O) 5.24 (R) (-) 1.65 3.59	1.89	(-) 1.70

Sr. No.	Grant No.	Major Head of account and sub-head	Provision	Actual expenditure	Excess (+)/ Saving (-)
			O:Original S: Supplementary R:Reappropriation		
(Rupees in crore)					
8.		03-Interest on Small Savings, Provident Funds etc. 104-Interest on State Provident Funds etc. 99-Interest on State Provident Fund to Government Servants other than All India Services officers	(O) 455.76 (R) (-) 71.46 384.30	376.76	(-) 7.54
9.		01-Interest on Internal Debt 200-Interest on other Internal Debts 91-8.5% Tax free special Bonds of the State Government (Power Bonds)	(O) Nil (S) Nil (R) 174.29	171.89	(-) 2.40
10.		96-Loans from National Rural Credit (LTO) Fund of the NABARD	(O) 37.61 (R) 2.86 40.47	41.86	(+) 1.39
11.		115-Interest on Ways and Means Advances from Reserve Bank of India 99-Ways and Means Advances from Reserve Bank of India	(O) 17.60 (R) 6.90 24.50	0.26	(-) 24.24
12.		04-Interest on Loans and Advances from Central Government 108-Interest on 1984-89 State Plan Loans consolidated in terms of recommendations of the 9 th Finance Commission	(O) 4.06 (R) 1.19 5.25	1.92	(-) 3.33

Sr. No.	Grant No.	Major Head of account and sub-head	Provision		Actual expenditure	Excess (+)/ Saving (-)
			O: Original	S: Supplementary R: Reappropriation		
(Rupees in crore)						
13.	8-Buildings and Roads	2059-Public Works 80-General 052-Machinery and Equipment 96-Machinery	(O) 3.58 (R) (-) 1.24 2.34		0.20	(-) 2.14
14.		3054-Roads and Bridges 04-District and Other Roads 337-Road works 99-District Roads	(O) 5.90 (R) 1.17 7.07		4.52	(-) 2.55
15.		98-Rural Roads	(O) 40.61 (R) 3.82 44.43		40.78	(-) 3.65
16.		5054-Capital Outlay on Roads and Bridges 03-State Highways 337-Roadworks	(O) 174.32 (R) (-) 9.32 165.00		126.85	(-) 38.15
17.		04-District and Other Roads 337-Roadworks 99-District Roads	(O) 88.00 (R) (-) 48.00 40.00		42.74	(+) 2.74
18.		4059-Capital Outlay on Public Works 01-Office Buildings 051-Construction 99-District Administration	(O) 27.84 (R) (-) 21.09 6.75		7.48	(+) 0.73
19		5054-Capital outlay on Roads and Bridges 04-District and other Roads 101-Bridges 98-Rural Roads	(O) 1.75 (R) 2.35 4.10		5.11	(+) 1.01
20.		4059-Capital outlay on Public Works 60-Other Buildings 051-Construction 96-Jails	(O) 7.50 (R) 18.60 26.10		10.64	(-) 15.46
21.		5054-Capital outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 98-Rural Roads	(O) 21.20 (R)(-) 6.20 15.00		123.94	(+) 108.94

Sr. No.	Grant No.	Major Head of account and sub-head	Provision		Actual expenditure	Excess (+)/ Saving (-)
			O: Original	S: Supplementary R: Reappropriation		
(Rupees in crore)						
22.		4059-Capital outlay on Public Works 60-Other Buildings 051-Construction 99-Public Works	(O) 2.25 (R)(-) 1.40 0.85		18.14	(+) 17.29
23.		80-General 051-Construction 94-Minister car Section	(O) Nil (R) 1.25 1.25		Nil	(-) 1.25
24.		97-Haryana Public Service Commission	(O) 1.00 (R) 0.25 1.25		Nil	(-) 1.25
25.		5054-Capital Outlay on Roads and Bridges 80-General 800-Other Expenditure	(O) 3.00 (R)(-) 1.00 2.00		Nil	(-) 2.00
26.	9-Education	2202-General Education 03-University and Higher Education 103-Government Colleges and Institutes 99-Institutes	(O) 72.76 (R)(-) 6.51 66.25		58.72	(-) 7.53
27.		001-Direction and Administration 99-Administrative staff	(O) 10.48 (R)(-) 2.55 7.93		6.72	(-) 1.21
28.	10-Medical and Public Health	2210-Medical and Public Health 03-Rural Health Services Allopathy 103-Primary Health Centres 90-Rural Family Welfare Centres	(O) 7.21 (R)(-) 0.60 6.61		6.07	(-) 0.54
29.		2215-Water Supply and Sanitation 01-Water Supply 001-Direction and Administration 96-Executive Engineer and their Establishment Regular/Confirmed Mechanical staff	(O) 108.46 (R)(-) 0.06 108.40		104.97	(-) 3.43

Sr. No.	Grant No.	Major Head of account and sub-head	Provision		Actual expenditure	Excess (+)/ Saving (-)
			O: Original	S: Supplementary R: Reappropriation		
(Rupees in crore)						
30.		102-Rural Water Supply Programme	(O)	99.68	116.94	(+) 17.06
		97-Rural Water Supply Programme	(R)	0.20		
				99.88		
31.		001-Direction and Administration			4.87	(+) 0.65
		99-Headquarters staff Chief Engineer and his Establishment	(O)	3.91		
			(R)	0.31		
32.		97-Executive Engineer and their Establishment	(O)	26.30	25.48	(-) 1.26
			(R)	0.44		
				26.74		
33.		4215-Capital Outlay on Water Supply and Sanitation	(O)	18.14	95.29	(+) 69.08
		01-Water Supply	(R)	8.07		
		101-Urban Water Supply		26.21		
		99-Urban Water Supply				
34.		02-Sewerage and Sanitation			4.21	(+) 2.21
		101-Urban Sanitation Services	(O)	3.00		
		94-Sewerage and Sanitation	(R)(-)	1.00		
				2.00		
35.		01-Water Supply	(O)	10.00	4.39	(-) 0.61
		102-Rural Water Supply	(R)(-)	5.00		
		88-Swajaldhara		5.00		
36.		101-Urban Water Supply	(O)	28.00	18.39	(-) 3.74
		94-National Capital Region	(R)(-)	5.87		
				22.13		
37.		01-Water Supply	(O)	90.18	94.87	(-) 3.87
		102-Rural Water Supply	(R)	8.56		
		93-Rural Water Supply		98.74		
38.	15-Irrigation	2701-Major and Medium Irrigation	(O)	3.40	0.05	(-) 0.55
		02-Major Irrigation Non-Commercial	(R)(-)	2.80		
		800-Other Expenditure		0.60		
		99-Maintenance Works				

Sr. No.	Grant No.	Major Head of account and sub-head	Provision		Actual expenditure	Excess (+)/ Saving (-)
			O: Original	S: Supplementary R: Reappropriation		
(Rupees in crore)						
39.		103-Jui Canal Project 98-Energy Charges	(O) 16.90 (R)(-) 9.90 7.00		3.51	(-) 3.49
40.		001-Direction and Administration 91-Executive Engineers	(O) 16.85 (R) 3.01 19.86		7.37	(-) 12.49
41.		89-Special Revenue Staff	(O) 10.07 (R)(-) 1.60 8.47		1.95	(-) 6.52
42.		106-Sawani Lift Irrigation project 98-Energy Charges	(O) 8.80 (R)(-) 6.80 2.00		0.84	(-) 1.16
43.		190-Assistance to Public Sector and Other Undertakings 97-Operation and Maintenance	(O) 4.58 (R)(-) 0.24 4.34		Nil	(-) 4.34
44.		2701-Major and Medium Irrigation 01-Major Irrigation Commercial 108-Jawahar Lal Nehru Canal Project 98-Energy charges	(O) 8.41 (R) 43.15 51.56		58.57	(+) 7.01
45.		001-Direction and Administration 97-Execution	(O) 100.93 (R) 3.98 104.91		120.13	(+) 15.22
46.		95-Special Revenue Staff	(O) 18.59 (R)(-) 2.64 15.95		23.30	(+) 7.35
47.		96-Medical	(O) 0.52 (R)(-) 0.37 0.15		0.73	(+) 0.58
48.		115-Maintenance of Canals and Distributaries (Multipurpose River Projects) 99-Maintenance Works	(O) 2.45 (R)(-) 0.66 1.79		6.74	(+) 4.95
49.		104-Loharu Canal Project 99-Maintenance works	(O) 0.40 (R) 0.05 0.45		1.22	(+) 0.77

Sr. No.	Grant No.	Major Head of account and sub-head	Provision	Actual expenditure	Excess (+)/ Saving (-)
			O: Original S: Supplementary R: Reappropriation		
(Rupees in crore)					
50.		2701-Major and Medium Irrigation 01-Major Irrigation Commercial 001-Direction and Administration 99-Chief Engineers Common Establishment	(O) 15.42 (R)(-) 6.47 8.95	14.66	(+) 5.71
51.		98-Supervision	(O) 15.44 (R)(-) 3.53 11.91	15.37	(+) 3.46
52.		Name of the Irrigation Project 99-Interest on Irrigation Projects	(O) 184.08 (R)(-) 4.73 179.35	176.28	(-) 3.07
53.		800-Other expenditure Interest charges on Capital 99-Interest on Irrigation Projects	(O) 184.08 (R)(-) 4.73 179.35	176.28	(-) 3.07
54.		02-Major Irrigation Non-Commercial 800-Other Expenditure 97-Improved upgradation, operation and Maintenance of Channels-Irrigation	(O) 22.85 (R)(-) 6.44 16.41	Nil	(-) 16.41
55.		4701-Capital Outlay on Major and Medium Irrigation 01-Major Irrigation Commercial 209-Improvement of old/Existing channels 99-Construction RIDF	(O) 65.00 (R)(-) 15.15 49.85	130.11	(+) 80.26
56.		225-Rehabilitation of Existing channels/drainage system in State 99-Construction	(O) 15.67 (R)(-) 3.50 12.17	46.32	(+) 34.15
57.		215-Lining of Channels and Institutional and Strengthening 99-Restoration capacity of B.M.L.	(O) 1.00 (R)(-) 0.40 0.60	1.35	(+) 0.75

Sr. No.	Grant No.	Major Head of account and sub-head	Provision		Actual expenditure	Excess (+)/ Saving (-)
			O:Original	S: Supplementary R:Reappropriation		
(Rupees in crore)						
58.		113-Modernisation and Lining of Canal system in Haryana 99-Consturion	(O) 15.33 (R)(-) 2.51	12.82	Nil	(-) 12.82
59.		108-Jawahar Lal Nehru Lift Irrigation 98-Dam and Appurtenant Works	(O) 3.00 (R)(-) 0.15	2.85	1.79	(-) 1.06
60		221-Water Development Survey and Investigation 99-Dam and Appurtenant works	(O) 4.05 (R)(-) 1.65	2.40	3.00	(+) 0.60
61.		228-Institutional strengthening such as data collection, Planning Design and Admn.etc. 110-Sutlej Yamuna Link Project	(O) 1.00 (R)(-) 0.50	0.50	1.08	(+) 0.58
62		800-Other expenditure 99-Payment of enhanced land compensation under court order	(O) 2.50 (R) 2.50	5.00	6.19	(+) 1.19
63.	17-Agriculture	2705-Command Area Development 102-Shivalik Development Board 99-Grant-in-Aid for development of Shivalik Area	(O) 5.00 (R) 1.50	6.50	5.13	(-) 1.37
64.	18-Animal Husbandry	2403-Animal Husbandry 101-Veterinary Services and Animal Health 95-Continuance of Veterinary Hospital and Dispensaries	(O) 14.91 (R) 3.66	18.57	19.75	(+) 1.18
65.		93-Conversion of Veterinary Dispensaries/SMCs into Hospital-cum-Breeding Centres	(O) 6.91 (R) 4.28	11.19	10.54	(-) 0.65
66.		94-Opening of New Veterinary Dispensaries	(O) 7.24 (R) 1.23	8.47	7.57	(-) 0.90

Sr. No.	Grant No.	Major Head of account and sub-head	Provision		Actual expenditure	Excess (+)/ Saving (-)
			O:Original	S: Supplementary R:Reappropriation		
(Rupees in crore)						
67.	21-Community Development	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions 200-Other Miscellaneous Compensations and Assignments 96-Assignment of Excise duty to Local Bodies in lieu of Octroi on Indian made Foreign Liquor	(O) 3.50 (R)(-) 2.90 0.60		1.88	(+) 1.28
68.		2515-Other Rural Development Programmes 001-Direction and Administration 98-District and Block Staff	(O) 25.83 (R)(-) 0.99 24.84		24.03	(-) 0.81
69.	Public Debt	6003-Internal Debt of State Government 105-Loans from National Bank for Agricultural and Rural Development 99-Loans from the Rural credit (LTO) Fund of National Bank for Agriculture and Rural Development	(O) 42.88 (R)(-) 3.44 39.44		42.42	(+) 2.98
70.		6004-Loans and Advances from the Central Government 01-Non-Plan Loans 203-Police 99-Modernisation of Police Force	(O) 1.64 (R) 0.59 2.23		1.36	(-)0.87
71.		102-Share of Small Savings Collections	(O) 527.20 (S) 552.32 (R) 257.84 1,337.36		1,886.31	(+) 548.95

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation		Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)			
72.		02-Loans for State/Union Territory Plan Schemes 104-1984-89 State Plan Loans Consolidated in terms of recommendations of the 9 th Finance Commission	(O) 18.58 (R) 2.07 20.65		18.58	(-)2.07
73.		07-Pre-1984-85 Loans 108-1979-84 consolidated Loans 99-Loans repayable annually over 25 years	(O) 6.98 (R) 0.78 7.76		6.98	(-) 0.78
74.		106-Pre-1979-80 consolidated Loans for Productive and Semi productive purposes 99- Loans for Semi productive purposes repayable annually over 30 years from 1979-80	(O) 5.89 (R) 0.65 6.54		5.89	(-) 0.65
75.	25-Loans and Advances by State Government	6801-Loans for Power Projects 93-Loans from NABARD for Power Projects	(O) 20.00 (R) 5.20 25.20		2,047.49	(+) 2,022.29
76.		6851-Loans for Village and Small Industries 102-Small Scale Industries 99-Interest free loans in lieu of deferred sales tax	(O) Nil (R) 20.29 20.29		88.54	(+) 68.25
77.		7610-Loans to Government Servants etc. 204-Advances for purchase of computers 99-Advance for purchase of computer	(O) 5.00 (R)(-) 2.10 2.90		2.39	(-) 0.51
78.		97-Advances for celebration of marriages	(O) 5.00 (R)(-) 1.85 3.15		4.30	(+) 1.15

Sr. No.	Grant No.	Major Head of account and sub-head	Provision O:Original S: Supplementary R:Reappropriation		Actual expenditure	Excess (+)/ Saving (-)
			(Rupees in crore)			
79.		201-House Building Advances 99-Advances to Government Servants other than All India Service Officers	(O) 46.00 (R)(-) 0.90 45.10		46.43	(+) 1.33

Appendix XIII

(Refer paragraph 2.1.13; page 36)

Cases where expenditure was incurred without any provision of funds

Sr. No.	Number and name of the Grant	Head of account	Expenditure (Rupees in crore)
1	4-Revenue	2245-Relief on account of Natural Calamities 02-Floods, Cyclones, etc. 106-Repairs and restoration of damaged roads and bridges.	0.18
2		122-Repairs and restoration of damaged irrigation and flood control works	0.04
3		282-Public Health 101-Gratuitous Relief 110-Assistance for repair and restoration of damaged water supply, drainage and sewerage works	0.18
4	7-Other Administrative Services	4058-Capital Outlay on Stationery and Printing 103-Government Presses 96-Machinery and Equipment	0.20
5	8-Buildings and Roads	3054-Roads and Bridges 80-General 797-Transfers to/from Reserve Fund/Deposit Account 99-Transfers to/from Central Road Fund-Inter Account Transfer	10.95
6		4202-Capital Outlay on Education, Sports, Art and Culture 02-Technical Education 104-Polytechnics 98-Engineering/Technical College and Institute (World Bank Project)	0.02
7		5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 337-Road Works 98-Rural Roads	0.66
8		03-State Highways 337-Road Works	0.56
9	10-Medical and Public Health	2215-Water Supply and Sanitation 02-Sewerage and Sanitation 107-Sewerage Services 99- Sewerage Services	3.08
10	15-Irrigation	2701-Major and Medium Irrigation 01-Major Irrigation - Commercial - 001-Direction and Administration 85-Chief Engineer	0.65
11		799-Suspense 99-Irrigation	0.11
12		02-Major Irrigation Non-commercial 799-Suspense	0.44
13		001-Direction and Administration 95-Special Revenue staff	0.38
14		01-Major Irrigation - Commercial - 800-Other Expenditure 97-Improved upgradation operation and maintenance of channels	15.50
Total			32.95

Appendix XIV

(Refer paragraph 3.1.5; Page 41)

Statement showing the budget provision not utilised under various schemes

Sr. No.	Name of the scheme	Budget provision not utilised		
		2001-02	2002-03	2003-04
		(Rupees in crore)		
	2403-Animal Husbandry			
	{A}: Centrally sponsored schemes			
1.	Creation of Disease Free Zone	2.00	24.00	24.00
2.	National Project for Cattle and Buffalo Breeding	10.00	6.00	6.00
3.	Preservation and Development of Pack Animals	0.02	0.02	0.04
4.	Setting up National Rams and Buck Centre at Hisar	0.02	--	--
5.	Assistance to State for Integrated Piggery Development Strengthening of Pig Breeding Farm, Ambala	0.20	0.10	0.10
6.	Establishment of Welfare Board and Society for Prevention Cruelty against Animals at District level	0.10	0.10	0.10
7.	Establishment of National Demonstration Centre of AM Extension	0.15	0.30	0.30
8.	Establishment of Cascuss and By Product Utilisation Centre and Hide Flying Units	0.50	0.30	0.30
	Total	12.99	30.82	30.84
	{B}: State schemes			
1.	Strengthening of office of D.D., S.D.O.'s and creation of New Districts	--	--	0.15
2.	Strengthening of HQ, Field Level/District Level Organisation	0.02	--	--
3.	Veterinary Infrastructure Construction/Reconstruction in the State under RIDF VII-I	--	--	2.00
4.	Scheme for raising the status of Veterinary Hospitals with specialists in District Hospitals (Polyclinics)	0.15	--	--
5.	Strengthening of Disease Diagnostic Facilities	--	0.10	0.10
6.	Preservation and Development of Pack Animals	0.02	0.02	0.04
7.	Establishment of Haryana Livestock Development Board (Non-plan)	7.54	--	0.10
8.	Setting up National Rams and Buck Centre at Hisar	0.02	--	--
9.	Extension and Publicity of Livestock Development Board activities	--	0.15	0.10
10.	Establishment of Agricultural Human Resources Development Project	--	2.15	--
11.	Scheme for Minor Public Works /New Works relating to Animal Husbandry (NR) (Non-plan)	0.03	--	--
	Total	7.78	2.42	2.49
	(A) 2404-Dairy Development Centrally Sponsored Schemes			
1.	Project Scheme for bringing in Quality Control Cattle Feed Concentrates Mineral Mixtures Testing of Equipment by Dairy Laboratories at Rohtak	0.75	--	--
2.	Integrated Dairy Development Project in Non-operation Flood Hilly and Backward Area	--	1.78	1.07
3.	Establishment of Strengthening of Milk Lab under Milk Products Order 1992	--	0.40	0.40
	{B} State Scheme			
4.	Dairy Development Scheme for Milk Yield Competition	--	--	0.02
	Total	0.75	2.18	1.49
	Grand Total	21.52	35.42	34.82

Note: Rs 21.52 crore + Rs 35.42 crore + Rs 34.82 crore = Rs 91.76 crore.

Appendix XV

(Refer Paragraph 3.1.13; Page 46)

Detail showing year-wise targets/achievements of Artificial Insemination and calf born (Figures in thousand)

Sr. No.	Name of District	Buffaloes											
		2001-02				2002-03				2003-04			
		Artificial Insemination		Calf born		Artificial Insemination		Calf born		Artificial Insemination		Calf born	
	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	
1	Ambala	20.4	16	-	5.1	23.5	19.2	-	6.7	21.1	22.2	-	4.4
2	Bhiwani	55.3	41.4	-	10.2	55.6	43.3	-	15	50.1	44.2	-	15.3
3	Faridabad	27.7	27.2	-	7.3	49.7	34.5	-	10.6	44.7	40.5	--	13.6
4	Fatehabad	21.2	21.6	-	5.3	40.9	36.3	-	8.4	36.8	35.9	-	13.9
5	Gurgaon	73.3	26	-	5.1	73.1	36.6	-	8.2	65.8	51	-	11
6	Hisar	67.3	53.2	-	11.4	67.2	56.6	-	18.4	60.5	60.2	--	21.2
7	Jhajjar	24.8	16.4	-	5.4	51.8	20	-	7	46.6	31	-	7.5
8	Jind	65.4	60.8	-	14	65.5	62.2	-	20	58.9	61	-	19.7
9	Kaithal	41.8	35.8	-	9.5	45.8	40.3	-	13.3	41.3	42.7	-	15.2
10	Karnal	46	33.9	-	8.7	64.8	46	-	13.3	58.3	46.9	--	15.4
11	Kurukshetra	27	18	-	5.3	51.1	24.3	-	6.8	46	30.9	-	8.4
12	Mahendergarh	20.4	16.1	-	3.5	13.6	11.3	-	4.8	12.3	13.7	-	3.7
13	Panipat	21.6	17.6	-	3.7	29	21.7	-	6.2	26.1	24.3	-	9.8
14	Panchkula	5.9	4.4	-	1.4	14	5.8	-	1.6	12.6	7.6	-	2.5
15	Rewari	16.6	12	-	3.1	22.8	16.6	-	4.3	20.5	19.5	-	5
16	Rohtak	33	17.4	-	5.1	52.5	26.6	-	8.6	47.3	37.3	-	11.7
17	Sirsa	32.1	26.8	-	8.4	37.8	35.6	-	11.9	34	39.1	-	13.9
18	Sonapat	71.8	38	-	7.1	71.7	47.4	-	11.4	64.6	53.4	-	12.7
19	Yamunanagar	20	20.1	-	6.5	42	22.7	-	6.5	37.8	26.1	-	7.2
	Total	691.6	502.7	-	126.1	872.4	607	-	183	785.3	687.5	-	212.10

Appendix XVI

(Refer paragraph 3.1.22 Page 51)

Details showing posting of employees in the offices other than their own offices

Sr. No.	Name of offices from where salary drawn	Number of employees	Period	Months
1.	Assistant Director, Government Hatchery, Bhiwani	6	March 2003 to February 2004	12
2.	Poultry Marketing Officer, Bhiwani	1	February 1997 to March 2004	86
3.	Assistant Director, Model Exotic Animal Farm, Bhiwani	5	April 2001 to March 2004	36
4.	Assistant Director, State Poultry Hatchery, Rohtak	2	April 2003 to March 2004	12
5.	Murrah Bull Farm-cum-Frozen bank Lakria Farm, Rohtak	2	April 2001 to March 2004	36
6.	Deputy Director, (Animal Husbandry), Narnaul	5	September 2002 to March 2004	19
7.	Assistant Director, Sheep & Wool Development, Loharu	2	August 1994 to March 2004	116
8.	Principal, Trainers Training Institute, Hisar	1	November 2003 to March 2004	5
9.	Deputy Director, (Animal Husbandry), Hisar	1	August 2001 to March 2004	32
10.	Sub Divisional Officer, (Animal Husbandry), Hisar	6	April 2001 to March 2004	36
11.	Deputy Director, Wool grading-cum-Marketing Centre, Loharu	2	November 2000 to March 2004	41
12.	Deputy Director, Wool grading cum Marketing Centre, Hisar	2	July 2001 to March 2004	33
13.	Assistant Director, Sheep & wool Development, Hisar	7	April 2001 to March 2004	36
14.	Director, Haryana Veterinary Vaccine Institute, Hisar	3	June 1997 to March 2004	82
15.	Semen Bank officer, Bhiwani	4	July 2001 to March 2004	33
16.	Sector Superintendent-II, State Cattle Breeding Project, Hisar	19	September 1995 to March 2004	103
17.	Superintendent Seed Farm, State Cattle Breeding Project, Hisar	5	January 1997 to December 2003	84
18.	Chief Superintendent, Government Live Stock Farm, Hisar	6	July 1993 to March 2004	129
19.	Piggery Development Officer, Ambala	2	April 2001 to March 2004	36
20.	Assistant Poultry Development Officer, Ambala	2	July 1999 to March 2004	57

Sr. No.	Name of offices from where salary drawn	Number of employees	Period	Months
21.	Sub Divisional Officer, (Animal Husbandry), Ambala	7	June 1998 to January 2004	68
22.	Deputy Director, Intensive Cattle Development Project, Ambala	1	March 2001 to February 2004	36
23.	Deputy Director, Rinderpest diseases control Chandigarh	25	April 2001 to March 2004	36
24.	Deputy Director, (Animal Husbandry), Yamunanagar	7	September 2001 to November 2003	27
25.	Deputy Director, Intensive Cattle Development Project, Karnal	23	April 2001 to January 2004	34
26.	Sub Divisional Officer (Animal Husbandry), Karnal	5	April 1998 to January 2004	71
27.	Sub Divisional Officer (Animal Husbandry), Gurgaon	4	March 2002 to February 2004	24
28.	Deputy Director, Intensive Cattle Development Project, Gurgaon	7	April 2001 to March 2004	36
	Total	162		

Appendix XVII
(Refer paragraph 3.4.3 and 3.4.5; Page 90 and 92)
Details of Implementing Agencies

Executive Engineer (EE), Public Works Department (B&R) Division-1 (Dn.), Ambala Cantt
EE, PWD (B&R) Dn, Naraingarh
EE, PWD (B&R) Dn-II, Ambala
EE, PWD (B&R) Chandigarh Provincial Dn, Panchkula
EE, PWD (B&R) Electrical Dn, Ambala Cantt.
EE, PWD (B&R), Yamunanagar
EE, Panchayati Raj, Ambala
EE, Panchayati Raj, Panchkula
EE, Panchayati Raj, Yamunanagar
Additional Deputy Commissioner (ADC), Panchkula
ADC, Ambala
Divisional Forest Officer (DFO), Pinjore
DFO, Kandi, Panchkula
DFO (Territorial), Yamunanagar
DFO., Kandi, Yamunanagar
DFO (Social Forestry), Ambala
DFO, Yamunanagar
Special Soil Conservation Engineering, Panchkula
Fisheries Development Officer (FDO), Ambala
FDO, Yamunanagar
Municipal Committee (MC), Ambala City
MC, Naraingarh
EE, Public Health (PH) Dn., Ambala
EE, PH Dn., Panchkula
EE, PH Dn., Yamunanagar
EE, PH Dn., Naraingarh
EE, Haryana Vidyut Prasaran Nigam (HVPN), Naraingarh
Superintending Engineer (S.E), HVPN, Yamunanagar
EE, Uttar Haryana Bijli Vitran Nigam, Panchkula
District Horticulture Officer (DHO), Panchkula
DHO, Yamunanagar
EE, Haryana State Minor Irrigation (Tubewells) Corporation
Block Development and Panchayat Officer, Pinjore
Chief Executive Officer (CEO), Milk Union, Ambala
Sub Divisional Magistrate, Panchkula
Managing Director, Haryana Police Housing Corporation, Panchkula

Appendix XVIII
(Refer paragraph 3.4.6, page 92)

Details of physical activities carried out during 1999-2004

Name of implementing departments	Particulars of activities undertaken	Physical activity/works executed	Funds released to implementing agencies	Expenditure upto March 2004
			(Rupees in lakh)	
Public Works Department, (PWD) Buildings and Roads (B&R)	Construction/special repair of roads	91 link roads	486.73	457.10
	Construction of building for Primary Health Centres (PHCs)	Five Primary Health Centres	273.53	252.19
	Construction of buildings for schools and colleges	Construction of six rooms, four halls and JBT girl's training centre	61.61	61.61
Forest and soil Conservation/Haryana Police Housing Corporation	Expansion of minor irrigation facilities	Construction of water harvesting dams/installation of tubewells	712.93	534.61
Haryana Vidyut Prasaran Nigam	Electrification of <i>dhanies</i>	Electrification of 351 <i>dhanies</i>	152.77	148.22
Public Health	Construction of water supply tanks & tubewells	Construction of water supply tanks, installation of tubewells	350.46	113.93
Forest	Development of herbal park	Development of one park	158.12	133.45
Haryana Police Housing Corporation	Residential Accommodation for Government employees	Construction of 24 residential quarters	155.64	114.83
Fisheries	Digging/renovation of village ponds	Construction and renovation of 14 ponds	20.15	15.15
Horticulture	Subsidy on certified seeds of vegetables	Supply of seeds of ginger, mashrooms and spices	13.21	13.21
Municipal Committees and PWD (B & R)	Construction of drains/parks	Construction of community centres, drains, etc.	47.57	47.32
Panchayati Raj	Const. of buildings for milk collection centres and sheds for animal husbandry department	Construction of 3 milk collection centres	18.00	7.85
Haryana State Electronics Development Corporation	Purchase of Laptop	Purchase of one Laptop	1.00	1.00
	Total		2,451.72	1,900.47

Appendix XIX

(Refer Paragraph 3.4.6; Page 93)

Detail of unspent balances with other Implementing Agencies

Sr. No.	Name of Department/ Implementing Agency	Amount (Rupees in Lakh)	Remarks
1.	Public Works Department (PWD), (B&R)	50.97	Balance out of Rs 486.73 lakh and Rs 273.53 lakh (Rs 29.63 +21.34 = 50.97 lakh) as per Appendix XVIII
2.	Divisional Forest Officer, Pinjore	98.32	This is part of balance lying out of Rs 712.93 lakh as per Appendix XVIII
3.	Additional Deputy Commissioner, Panchkula (For solar power)	4.55	Balance out of Rs 152.77 lakh as per Appendix XVIII
4.	Public Health Department, Ambala	36.53	--
5.	Divisional Forest Officer, (Kandi), Yamunanagar	24.67	For development of Herbal Park as per Appendix XVIII
6.	Haryana Police Housing Corporation, Panchkula	40.81	Construction of Residential Accommodation for Government Employees as per Appendix XVIII
7.	District Fisheries Officers, Ambala	5.00	
8.	Panchayati Raj, Ambala	10.40	This is part of balance amount of Rs 47.57 lakh and Rs 18.00 lakh (0.25+10.15=10.40 lakh) as per Appendix XVIII
	Total	271.25	

Appendix XX

(Refer paragraph 4.1.3; page 111)

Detailed reasons for overpayment of pensionary benefits

Reasons for over/excess payments	Number of pensioners	Amount of overpayment (Rupees in lakh)
1. Non or less deduction/recovery of commuted value of Pension	103	9.42
2. Non-follow up of time schedule of family pension and non-verification of actual family pensioners periodically	139	18.78
3. Non-obtaining/verification of periodical certificate of widows getting remarriage and pensioner joining Government Service	38	5.03
4. Due to wrong calculation of dearness allowance	31	1.28
5. Unauthorised payment of medical allowance to pensioners	13	0.69
Total	324	35.20

Appendix XXI

(Refer Paragraph 4.5.3; page 132)

Statement showing the year-wise break-up of outstanding Inspection Reports and Paragraphs

Year	Inspection Reports	Paragraphs	Amount (Rupees in crore)
1979-80 to 1993-94	46	54	1.38
1994-95	9	10	1.03
1995-96	7	9	0.57
1996-97	12	15	1.64
1997-98	10	11	1.39
1998-99	20	30	22.88
1999-2000	19	35	7.48
2000-01	28	61	13.69
2001-02	29	68	36.31
2002-03	43	155	70.58
2003-04	50	313	232.08
Total	273	761	389.03

Appendix XXII

(Refer Paragraph 4.5.3; page 132)

Statement showing the year-wise break-up of outstanding Inspection Reports and Paragraphs

Sr. No.	Years	Inspection Reports	Paragraphs	Amount (Rupees in lakh)
1.	Upto March 1994	15	22	24.81
2.	1994-95	8	8	460.31
3.	1995-96	16	24	33.96
4.	1996-97	2	4	11.69
5.	1997-98	5	11	19.90
6.	1998-99	13	24	345.09
7.	1999-2000	8	17	835.65
8.	2000-01	14	37	829.09
9.	2001-02	11	22	994.14
10.	2002-03	15	62	621.19
11.	2003-04	11	31	569.40
Total		118	262	4,745.23

Appendix XXIII
(Refer Paragraph 4.5.3; page 132)

**Details of serious irregularities pointed out through outstanding
Inspection Reports**

Sr. No.	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
1.	Loss due to theft, misappropriation and embezzlement	9	0.49
2.	Recoverable amounts from contractors/agencies on account of excess payments, excess issue of material, cost of work done at their risk and cost and non-recovery of income tax, sales tax and liquidated charges	144	48.09
3.	Recoverable amounts on account of shortages/excess payments from government officials	19	0.76
4.	Non-observance of rules relating to custody and handling of cash, reconciliation of withdrawal from treasuries, maintenance of cash books and irregular utilisation of departmental receipts and non-observance of codal provisions	205	82.76
5.	Extra and avoidable expenditure, excess expenditure incurred on deposit works, irregular, unauthorised and infructuous expenditure	188	99.17
6.	Irregular/injudicious purchases	18	2.11
7.	Undue financial aid to contractors	29	19.43
8.	Execution of sub-standard works	18	14.50
9.	Blocking of funds	32	11.90
10.	Non-accounting/short receipts of material	19	1.40
11.	Non-preparation of tools and plant returns, non-closing of manufacturing accounts and under-utilisation of machinery	34	13.23
12.	Unsanctioned estimates and loss of measurement books	46	95.19
Total		761	389.03

Appendix XXIV

(Refer Paragraph 4.5.3; page 132)

Details of serious irregularities pointed out through outstanding Inspection Reports

Sr. No.	Nature of Irregularities	Number of Paragraphs	Amount (Rupees in lakh)	Period
1	Non-obtaining/non-production of utilisation certificate and wanting actual payees receipts from firms/departments	7	188.97	September 1992 to November 2002
2.	Non-recovery/short-recovery and outstanding recovery of loan/seed and margin money/interest free loan/subsidy	68	2165.24	September 1992 to November 2003
3.	Excess/irregular/wasteful expenditure on pay and allowances	20	17.06	October 1992 to August 2003
4.	Irregular/wasteful/unfruitful expenditure	46	75.24	June 1992 to September 2003
5.	Non-production/Non-maintenance of records	15	3.01	October 1993 to November 2003
6.	Non-condemnation of old/unserviceable articles/vehicles and non-disposal of condemned store articles/vehicles	9	6.41	June 1992 to November 2003
7.	Irregular retention/Misutilisation/Non-utilisation of Government money/funds/loans/ blockade of Government funds and excess expenditure over budget	24	747.30	September 1992 to March 2003
8.	Non-adjustment of advance payment/advances	2	6.41	March 1997 to March 2000
9.	Miscellaneous irregularities/Cash-book	71	1,535.59	June 1992 to October 2003
Total		262	4,745.23	

Appendix XXV

(Refer paragraph 4.5.5; page 133)

Statement showing the names of departments where Action Taken Notes were awaited

Sr. No.	Name of Administrative Department	Year of Audit Report	Para Number	Number of paragraphs	Total paragraphs
1.	Agriculture	2001-02	6.4	1	6
		2002-03	3.1,4.3.5,4.4.4,4.5.1, 4.6.5	5	
2.	Development and Panchayat	2001-02	3.2	1	1
3.	Education	1999-2000	3.1B.	1	3
		2002-03	4.1.1,4.4.1	2	
4.	Forest	2002-03	4.2.3, 4.3.1	2	2
5.	General	2000-01	3.18	1	5
		2001-02	3.11b	1	
		2002-03	4.9.1, 4.9.2, 4.9.3	3	
6.	Irrigation	2000-01	4.1,4.5	2	5
		2002-03	4.2.4,4.3.2, 4.6.4	3	
7.	Industries	2002-03	4.6.2,	1	1
8.	Jail	2000-01	3.9,3.10,3.11	3	3
9.	Medical and Public Health	2001-02	3.4,3.5	2	3
		2002-03	3.2	1	
10.	PWD (PH)	2000-01	4.2,4.8,4.9,4.10,4.11	5	11
		2001-02	4.5,4.6,5.1	3	
		2002-03	4.1.3,4.3.3,4.3.4	3	
11.	PWD (B&R)	2001-02	4.1	1	3
		2002-03	4.6.3, 4.8.1	2	
12.	Revenue	2000-01	3.13	1	1
13.	Rural Development (DRDA)	2001-02	6.8	1	1
14.	Town and Country Planning (HUDA)	2001-02	3.9,	1	6
		2002-03	4.1.2,4.2.1,4.6.1, 4.6.6,4.6.7	5	
15.	Transport	2002-03	4.6.9	1	1
			Total	52	52

Appendix XXVI

(Refer paragraph 4.5.5; page 133)

List of paragraphs where recovery has been pointed out but no action has been taken by the Administrative Departments

Sr. No.	Name of Administrative Department	Year of Audit Reports	Paragraph Number	Amount (Rupees in lakh)
1.	Agriculture	2000-01	6.3	40.45
			6.6	30.60
2.	Animal Husbandry	2000-01	3.4	21.96
		2001-02	6.3	747.00
3.	Finance	2001-02	3.3	19.86
4.	Food and Supplies	2002-03	4.6.8	80.30
5.	Rural Development (DRDA)	2001-02	6.1.11	1.87
6.	Town and Country Planning (HUDA)	2000-01	3.16	15,529.00
		2001-02	6.10	4,055.00
		Total	9	20,526.04